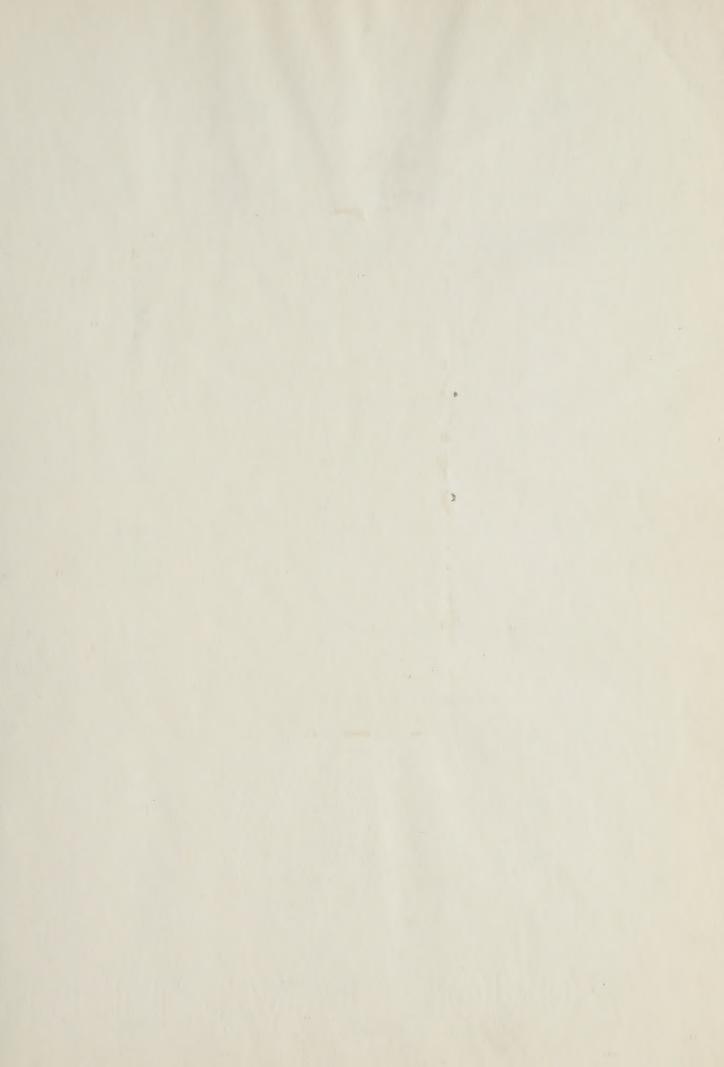




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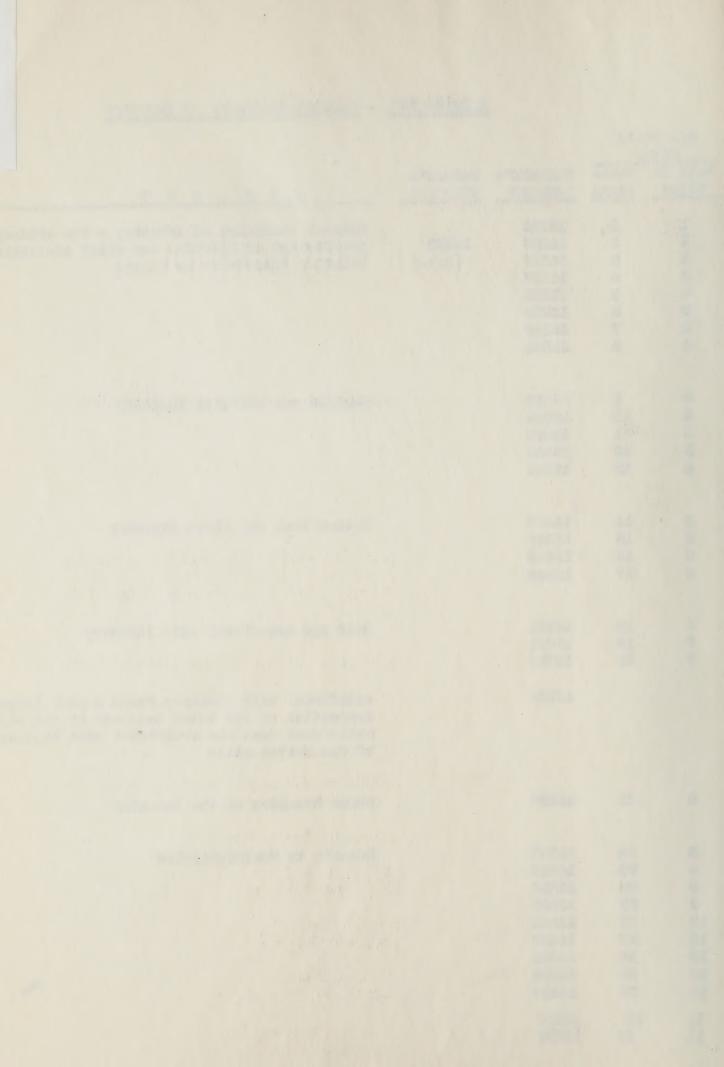


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# SECTION "A" - GENERAL SPATSMENT OR INSUSTRY

WILLOCK'S				
Normal Radio	RIP IN PARA	· KILOKK'S	NoiWER*S	
BRIE		Contract to the contract of the state of the		
1 1 2 2 2 3 4	2 3 4 5 7 8	16236 16237 16237 16239 16239 16249	18869 (E.D.)	General statement of industry - The primary industries, definitions and chief statistics Relative importance in Canada
5 5 6	9 10 11 12 13	16245 16245 16246 16346 16346		Woollen and Mnitting Industry
6 5 6	14 15 16 17	16247 16347 16348 16348		Cotton Yarn and Cloth Industry
7 7	18	16251		Silk and Artificial Silk Industry
		16850		Artificial silk business forms a much larger propertion of the total business of the silk mills than does the artificial silk business of the cotton mills
8	21	16283		Other Branches of the Industry
8 9 9 10 10 10 20	22 83 24 25 26 27 23 29 50	16853 16854 16854 16856 16856 16858 16858		Benefit to Municipalities
11	51 52	16258 16259		

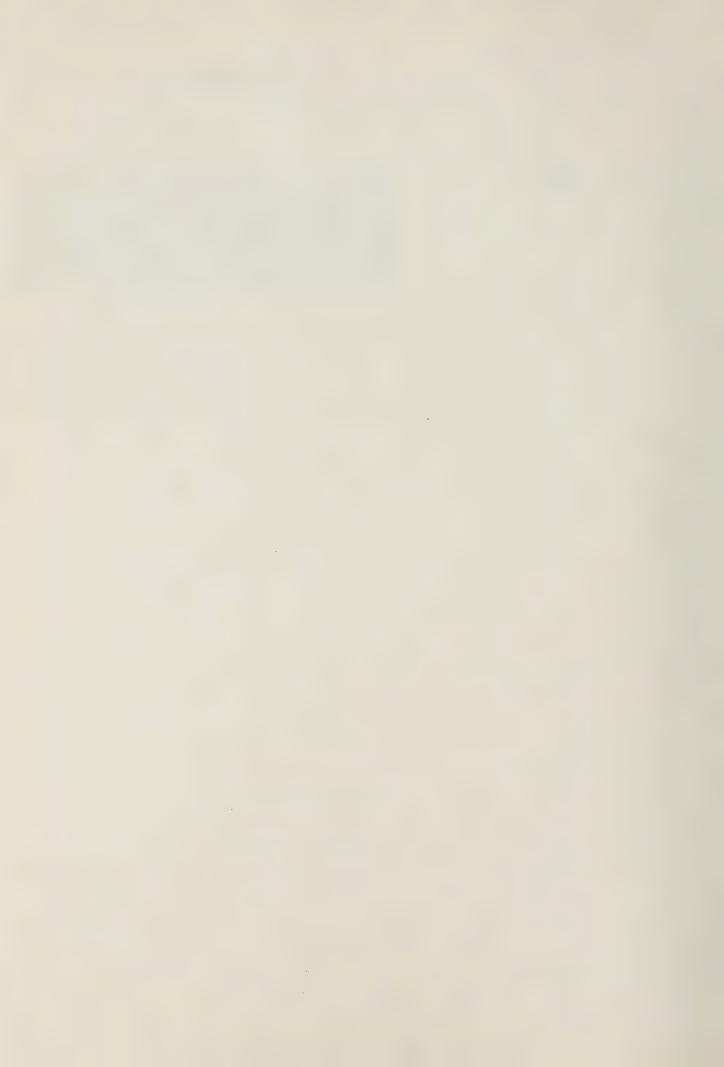


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Kallouk's						
			10 11 1			
1 2 2 2 3	1 2 3 4 5	16260 16262 16263 16263	18969			
3 3 3 4 4 5 5	6 7 8 9 10 11	16264 16265 16265 16266 16267 16267		Employment - Moollen and Morated Cloth		
		16267		Trend of employment in dotton years and Cloth sections is the same of in the worsted section as between 1930, 1936 and 1935		
5	10	16868 16869		Employment - Woollen and Worsted Cloth		
	*	16870		Now industry fulfilled its obligation to provide employment during depression: -		
		16871		Dominion Woollens & Worsteds Ltd., Moroury Mills Ltd.		
		16878		Darrysore Cloth Co.		
		16873		Hield Bros. Ltd.		
		16974		Harding Carpot Co. Allyan-A Company		
		16275		Notional Rosiwry Regart Existing Mills		
		16076		Ceo. Pattinson & Co. Tayside Textiles Ltd.		

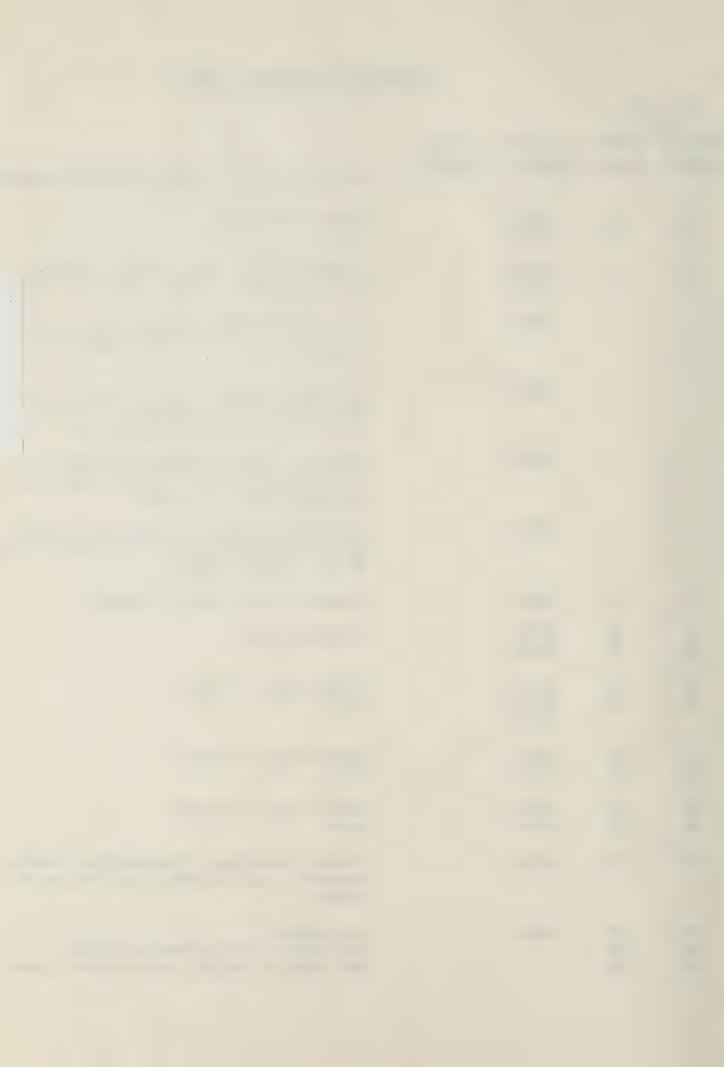
**温斯位理** 

Industry on a whole has taken very coriously the responsibility of providing employment not only in periods of temperary diffioulty but in periods of cust bined difficulties such as the 5-year period 1950-1955. -The only beneficiaries who got a direct saturn were the employees of the Companies



#### AND THE RESIDENCE OF THE PROPERTY OF THE PROPE

e respective a serie for specialists				
and the second second	5804		and the sales are the second and the sales are	
1		7 674 5000 A		Labour and Mages
d	蒜			
\$13 413	4	10000		Labour & Magow - Cotton " " " " " " " " " " " " " " " " " " "
		34 1943.		Since April 1956, wages in cotton industry in Canada and Great Birtain have been in-
		16:380		McMahon's evidence is that wages in the United States are 10% lower than under the N.R.A. Fessenden puts it at 1%
		10100		Ellenbugen Bill to restore the effect of the H.A.A. so for as wages and hours were somerned (Svid. p. 6835)
		16310		Hollock's amenits that McMahon's cyldence as to wages now being 10% lower than under N .R.A. is well founded
4	5			Labour & Wages - Carpet Industry
4	6 7	16711		Hoges in Canada
5	9	16313 16314 16360		Fonelo Vagos - Canada Halo *
5	10 11	10314		Female Wagos - Quebec
6	12	16315		Penule Wages - Ontario
6	13	10310		20020 10 10
7	26	10016		Average Danic Wage - Montroal and Outside Montreal - All industries and Textile in-
7 8 6	1.5 1.5 1.5	16316		Real Wages - Cotton Yarn and Cloth Real Wages - Hosiery, Enit Cooks & Cloves



9	16	10718	Maintonence of Manipul Wages
9	17	16320 16320	Work Londo

1000

Relicok says ar. Postregard in his brief contends that have done so. Accorting to Passon ten if he matry had not not chanised where necessary it could not have carried on



7	17	18780	profits in points a to original conferi
		2.1700	pical - Permans Limited
		187.33	Rantage as a percenture of invested co-
800000000000000000000000000000000000000	18 19 20 21 22 22	16766 16766 16768 16760 16760	
10	264 275 236	16790 16,793 16794	Live Profits to Luventail Confide
		16793	Percentose of net profite (erter bond laterat are income tax) to book walls of shareholders' equity
1		10794	milita no a pormaria do Ciles
12 13 16 16	;20 30 30 31 30	16796 16798 16798 16799	cares as command with partits - cares of lunes paid, a blice careod and lunca t are - 1986 to 1989
		15795	and dividends in Acetery Division was left in the tusiness and used
		16797	releasing into a divinity past year
10	Statement 1	15703	capital - Fermens Ltd.
26	Historiant 2	18768	copital - Momarch Faitting Co.
19	3011-011-025 3	10793 10816 17121 17300	resentage of met profits (after bust interest our incree tex) to book value of shareholders' equity



16805 Comparison of what the income would have been to shareholders had they

invested their money in Government bonds instead of textile companies

profit surned by the textile industry

16809 Kellock submits that comparing the return on Government bonds and textile securities it is impossible to say that there has been any excessive

16811 Kellock says that unless a company can turn over its stock more than once a year the not profit on sales coincides

with the final aet profits

Fennans Limited net profit on sales in 1930 was 5g to 6 percent, but if depreciation is taken off there was no profit at all

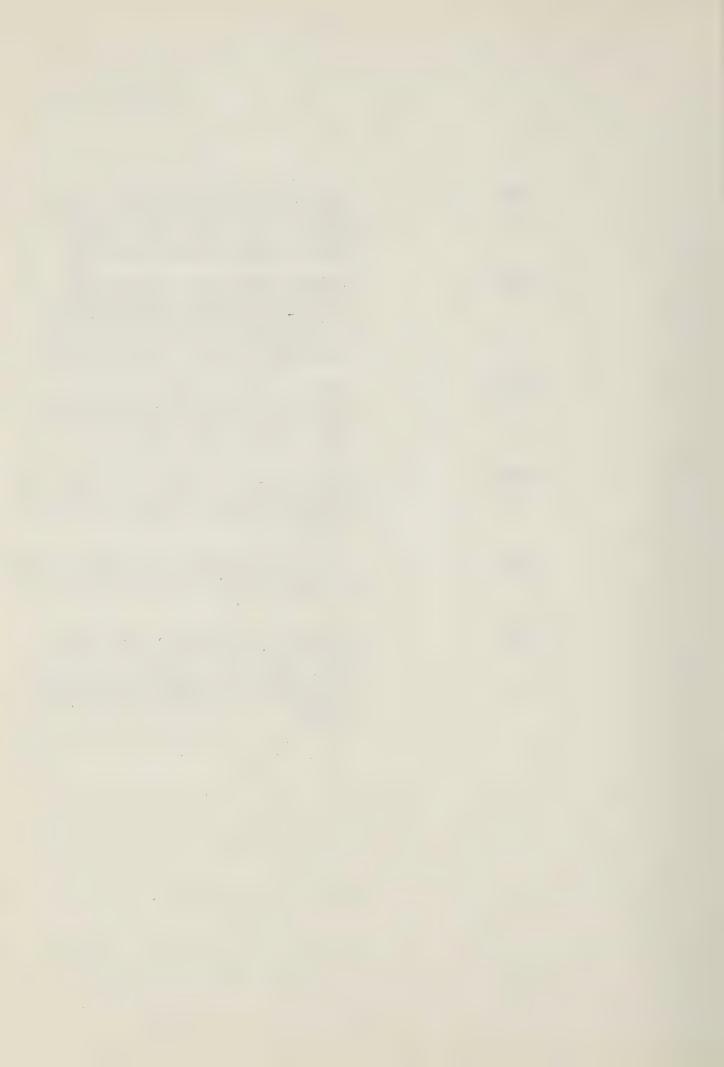
> Final real net profit of penmana Limited on shareholders' equity in the business in 1930 was 5.4%

> > Statement 3 on page 17, Section "D" of Kellock's brief shows not profits and includes not only what was distributed among the shareholders but what was retained by the Company and reinvested

16811

16814

16816



16691	Enllock mibmits that average returns between 1926 and 1955 have been 4.65
26708	Industry can only make large profits out of the consumer for a limited time because of the profit which attracts new capital into the industry and brin a the profits down
16710	Losses in hosiory division are due to amessive internal competition and not to insufficient tariff protection is. 1185, p. 5)
10711	Losses in Whollen Division (Ex. 1156, p. 7)
16712	Profits in Corpet Sivision (Ex. 1191, p.3)
16710	Kellock says a can must sayn enough money not only to pay himself a profit but also to pay bank loans and interest
16719	Do
10714	Losses in Seal Silk Division (Ex.917,p.5)
16724	Losses in Cotton Division (Ex. 998,p. 5)
16715	Cornwall and York Cott n Co. wrote down its inventory in order to consume some of its profits
18716	Losses sustained by entire textile industry 1930 to 1938
26720	Rellock says tariff is not too high and perhaps not high enough
16721	Estlock agrees with Mr. McRuer that the tariff should be devised so that it al- ious a reasonable profit to be sequired under good management
10725	Analysis of profits from significate stems-
16736	Kellock says "revenue is "met profit"
16736	Mellock admits that proper result is not obtained by taking the figure of revenue
生化物心色	the the full was and the floure of a
3.6740	capital employed for a single day in the

10KUD

18099

your



10730

Rellock artmits that the proper may is to take the capital that belongs to the chareholders, i.e. the company and find out what is the return outhor

16738

Kellock states that what should be taken is the assets of the company less its limbilities and that is the shareholders equity, and that, he submits, is the shareholders capital, the corpuny's capital and it is the return on that which gives the true picture

16757

Interest a lease described before arriver at not profit

10750

Bank loans are included in working capital of individual companies, but not in statement of whole group

16741

intengible cepital is not the heled in statement propered by Er. Howeon

16744

Malicak says term "representative commanies" is not correct as the commanies used are not representative of the entire industry

16748 17764 17767 Meaning of phrase "net profite"

16750

Canadian Cottons amount statement for 1912 shows that bond interest was paid out of not profits to profit and loss account, whether as in another year bond interest is deducted and the balance shown as the net profit



# SECTION "E" - CANADIAN TEXTILE TRADE

KK LOCK'S BRIEF				
PAGE IN FRIEF		KELLOCK'S ARGUMENT	MCRUER'S REBUTTAL	S U B J
1	1	16391	18798 17418 .B.	Canadian Textile Trade - Imports from Great Britain
1	2	16393		
		16391		Kellock emphasizes that the basic reason for the 1932 Trade Agreement with Great Bri- tain was to transfer to British producers and exporters as large as possible a share of the business at that time being done in the Canadian market by foreign producers and exporters
2 2 2 3	3 4 5 6 7	16394 16394 16395 16395 16396		Imports from Great Britain - Wool
		16392		Between 1932 and 1935, the Canadian textile market while accounting in 1935 for 32.7% of the total imports from Great Britain, was responsible for 11.27% of the increase in trade
3 4 4	8 9 10	16397 16398 16398		Free Imports from Great Britain
4	11	16399 16425	14145	Imports from Great Britain - Cotton
4	12	1:410 16427		Imports from Great Britain - Cotton Piece Goods
5	13	16413		Imports from Great Britain - Cotton Yarns
5	14	16414		Artificial Silk Febrics - Sales & Imports
6	15	16415		All Artificial Silk Products - Imports & Canadian production
6 6 7	16 17	16419 16420	17004 E.B.	Carpets - Apparent Canadian market
7	18	16420		Nature of Import Competition
7	19	16421 16431 17132		



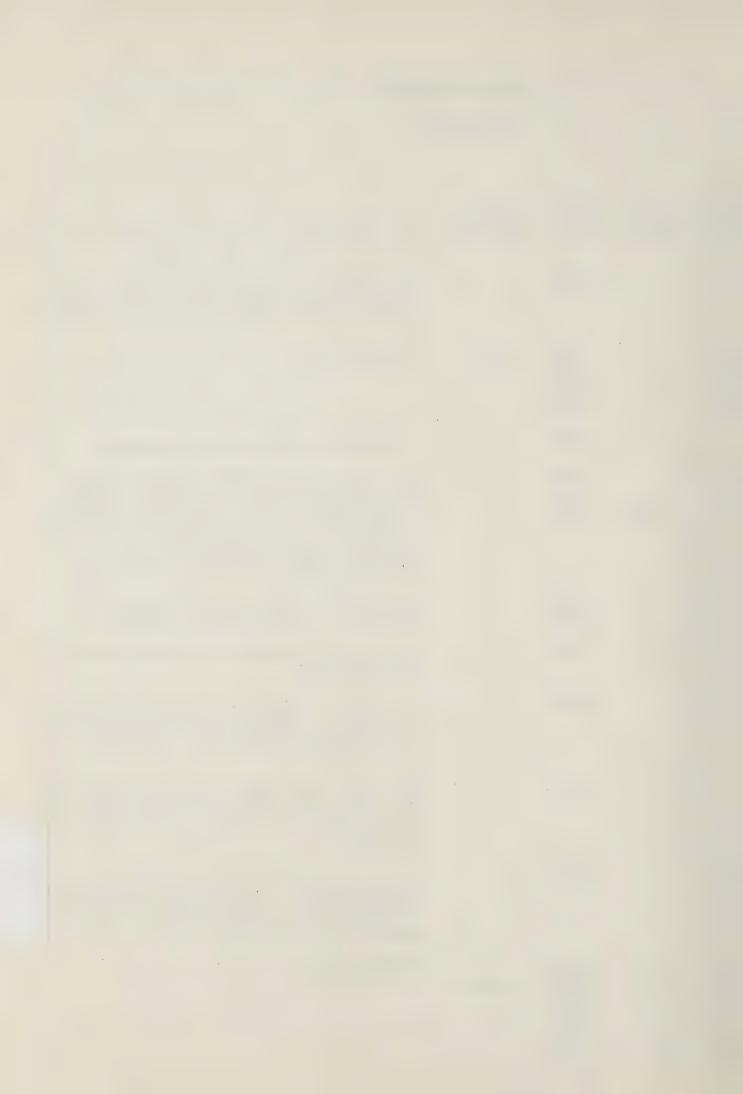
6	20	16403	Nature of Import Competition
		18407	Exhibit 1833 only indicates a trend of Committee production and imports
8	FL	1642	Noture of Impart Competition
		16441	Cortificate furnished by Auglish export- or covers his own cost and not the cost of production
		16433	Cotton industry in Great Britain is manufacturing and solling at a loss at home and shround, which constitutes dumping
8 9 30	#23 #35 #34	16439 16440 26440	Mature of Import Competition
	,	16442	A large part of textiles imported into Canada are imported at less than the home market values
10	25 26	16450 16451 17084	Noture of Import Competition
		14 403 16 005	Mr. Medue auggests that canufacturers in Great Aritain lost their export trade be- cause during the war they gave all their attention to the domestic market
		16455	Kellock thinks Department enforcing Cus- toms Act and Cutoms Tariff Act are call- ed on to do sore than it can possibly do
		16405	Relicek says there is no other way of dealing with dusping then to appraise the goods and wither put on a fixed valuetion or add something to the invoice price



# All the second s

# 

And the second s		Contraction of Administration of the second	Section 1985 - Section 1986 - Sectio	
		14916		R look mays an does not set tariff or be tection unless costs are at least equali-
1 1 3	1 2 3 4	16916 16916 16948 16948	18978	Tariff of a
		16917		Discussion re 1932 Ottown Apresments
	17346	16909 17349 17366		Other a present posting that an in us- tr each we the textile industry that is fully established is to be put, as between Canada and Great Britain, on the basis of reasonable compatition having regard to relative production costs
		16934 16935		Average as v lors taky rate as takiable imports and total imports (%x. 1342)
		16927		In our outling collected in Causan between 1907 and 1937
		16951		For, 1921 o there has been a deinstica of excent of duties collected from texti- los as compared with duties collected from all sources
		20000		Then duties are reised on dutiable imports the imports of dutiable goods are decreased and therefore, the percentage of free goods is reised
		16941		Dutiable imports in 1936 emounted to \$38,575,000 and free imports to \$31,238,000 in 1930 father imports were \$130,360,000 and free imports \$75,074,000
3 4 4 5	9 9 10	10945 19945 16953 16958 16963	14016	



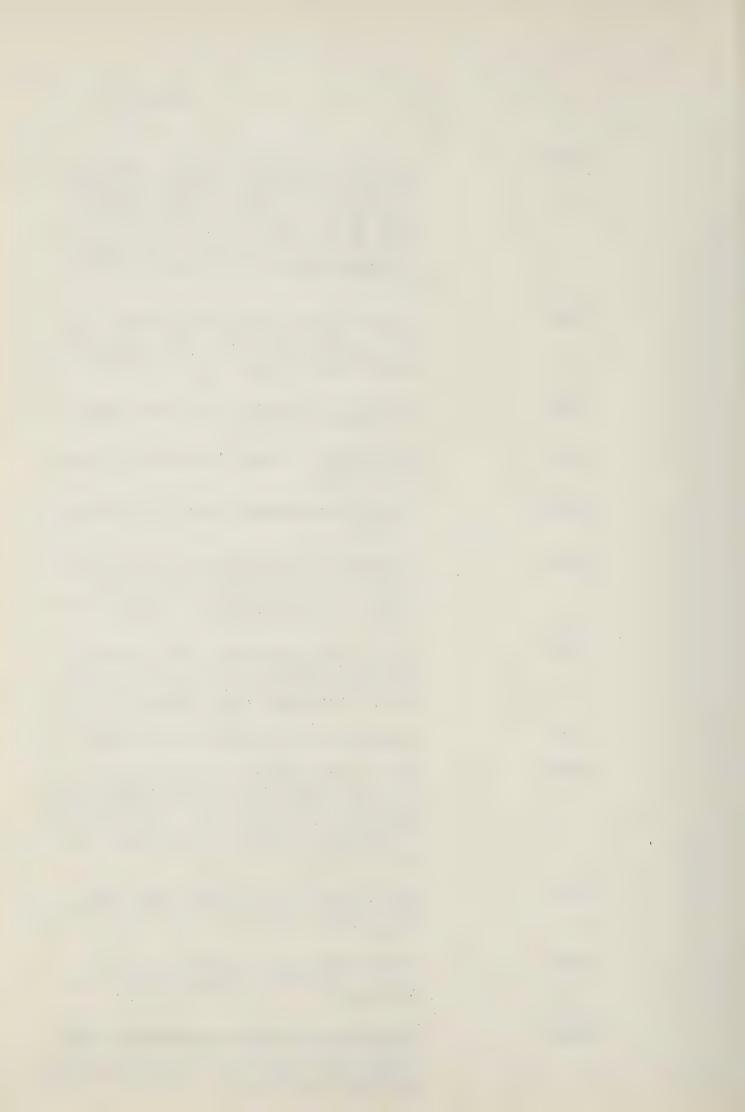
16945	Hellock says a resitul of the rates of duty haid down in the Customs Tariff or a computation of an ed valores duty of such rates as applied to any given pro-duct is not a true beasure of the protection afforded and me has to take into consideration shat the industry has to
16949	Wellook submits that during greater part of the time since 1997 tariff rates affecting cotton goods were either the same or higher than existing rates
16965	Reference to dot ton duties fefor only to the British Preferential
16930	Table showing British Profesential Tariff 1807 to 1936
18931	British Proferential rates were initiated in 1887
16951	Increase in 1930 of British Preferential and valores cotton tariff rates set in 1938 were not the result of the investiga-
2.0955	Wellook says now detton prices were not lower when tapiff increases were put into effect in 1930 than they were in 1936 and 1936 Mr. Meluer says they were lower
1000%	Average new cotton prices 1989 to 1988
16960	Kellock mays that of the tables prepared by Hooper showing the duty on importations of actual fabrics only two wors from Great Britain, the belonce being supposed importations from the United States where the operation does not come from
16960	Amporta into Conmis of groy cloth from Great Britain (Br. 800, Def. 6 Distancest 6d. p. 2)
16941	Clothe shown in this statement are all cloths with which the Canadian mills had to compete

10964

English Posterior for tendestation speak

region insustry a hos all types of an on

goods which commute with those make in C.A.A.a. and they come in here



13	11	16965	Cotton Branbucks
		10967	Catton exports on which dromback applied (Ex. 600, Bef. 8 Statement 60)
6 6 7	12 13 14 15	18970 16970 16971 16987	Catton Buties
		16072	Relicek mulmits in considering duty rates too much attention should not be directed to any particular fabric and that it is the result of the tariff rate on the shole group of items to which it is designed to apply which must be considered
		16900	British Preferential rates under the 1932 Canada-United Kingdom trade Agreement
		10981	British exporters have been given an eddi- tional adventage by lowering of duty rates in 1956 budget
		169.0 17100	Aritich Preferential rates in 1936 were fixed on the basis of the relative cost of production in Canada and the United Eingdon and reasonable competition
		10000 10004 10000	Meliock submits that Mr. Meliusr is asking for lower rates of duty without any evi- dence that further reductions are required
		1.000	Tariff Board in 1936 recommended cortain rates and they were implemented in the indget and that was on the basis of relative costs of production and responsible competition
		18984	1937 Counda-United Aingdom Trade Agree- ment (Ex. 1345)
		10006	Duket Speed, Pebruary Co. 1937 (Az.1846)
8	16	10008	Woollen and Knitting Suties - Saw Wool
			Rellock says some products may be produced sufficiently deavoly in the countries, owing emong other things to a larger worket, and muss production, which brings down the action under the inversaliste or posmul rate in exceptition with the depetit or the britain description or the britain description.



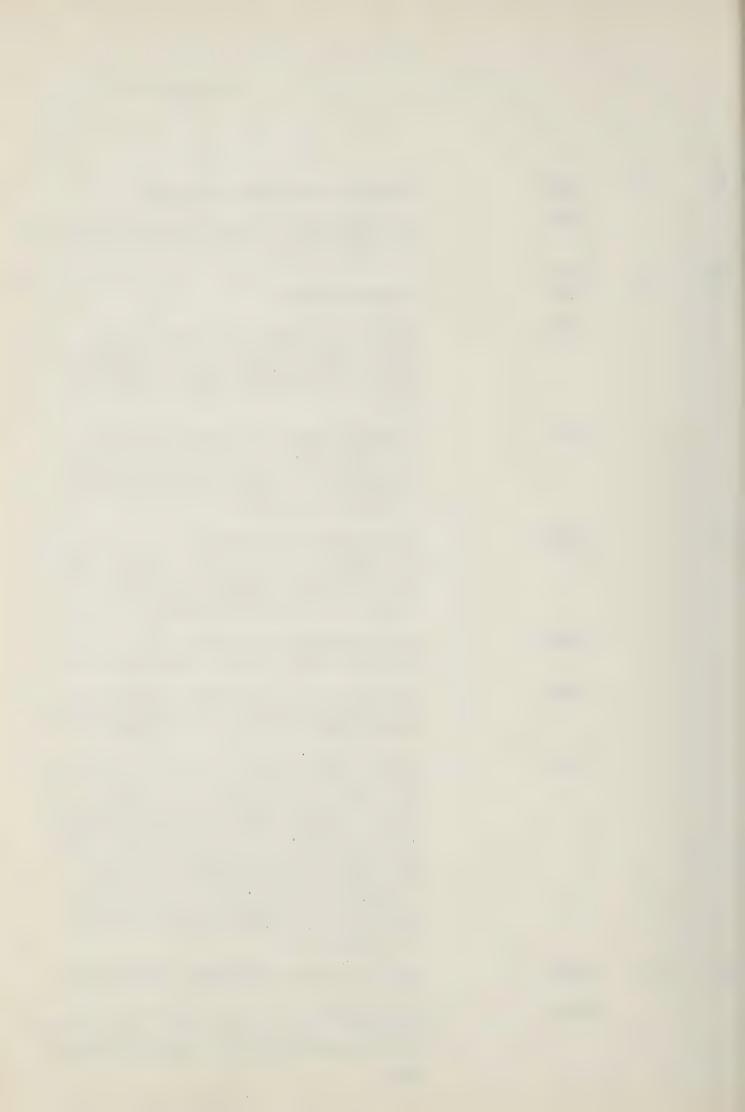
9 3	9 0	16969 16992 16998 16998	Duties on Wool Yarn and Egol Cloth
		16993	Enlock says that tariff rates in all solves and Tariff Board made its report in March, 1955, provided a virtual meso-oly in the Canadian parket for the Pritish manufacturer of light veight wool rebries Fr. he had says these cloths were never made in Canada
		10995	Old and 1937 rates of duty on woolles fabrics and yerns
		17000	Rellock says there is no evidence as to what there has been in the way of change of Bri- tish costs of production since the Tariff Roard report of Merch, 1935, - New rates simply aggrevate the situation
		17001	C main weather industry loss and export
		17001	Tallock suggests that wer. Nakusr's request for lower duties does not apply to woollen goods
		17003	Comparison of old and new duty rates on surpets
11 1	21	17704	Duties on Carpets
	Sec. 4	17 04	
12	2779	17704	
12	24	17.00	
12	23	17006	
		17003	Canadian carpot companies do not export
		17006	Post and cheapest wools for carpets are foreign wools such as Chinese wools but duty on these is probibitive
		17.06	British earpot industry application to Canadian Tariff Board for a review of the Canadian carpot item was withdrawa. Meliock submits that the British industry must have come to the conclusion that they could not substantiate that on existing duties they were not objecting on a reasonable basts having report to the relative costs of

reduction



9 45	65MT	* P. A.A.C.	
12	25	17006	sacies on dait Goods and Mosiery
		17007	Comparison of old and new rates of auty on knit goods and hosiery
12	26	17008	
13	27	17009	Compound Duties
		17008	items proposed hearing before Canadian tariff Board was withdrawn for the same reason as the carpet industry application
		17031	Compound satiss are a necessity in tex- tile industry. Kellock says a specific duty alone would not be practical due to large number of items which would be nee- ded for worsted yarns
		17020 17026	Kellock submits that there are objections to a simple ad valores or a simple specific duty by itself, but by combining the two you get the advantage and avoid parhaps some of the disadvantages
		17021	Reasons advanced by Tariff Board in Reference 1 for compound duties (ex.640)
		17026	Tariff Board do not mention any advantage of an ad valorem rate, but that it is dis- advantageous to the textile industry
		17027	Kallock subsite that the advalorement of has the advantage of giving at any one time across the achedule the proper protection having regard to the degree of fabrication of the article. The disadvantage is that when you change the date and your raw material goes either up or down and becomes reflected in prices, the opposite result is obtained by combining the two you get some of the advantages of both and avoid the disadvantages
14	28	17029	Soulier and Amitting Duties - Conclusions
		17029	Asilock submits that the best way to fix protection which will last for a time without these inequalities is by usin, the compound
			Additional State of the Control of t

rate



14	29 30	17030		Silk and Artificial Silk Duties
16		17031		Artificial Silk Dubion
		The property of the second sec		Comparison of old and new rates on ally and artificial silk yarns and fabrics
		12054		Rellock says the protection given to the finished fabric is the spread between the rate existing on the yern and the mto on the fabric
		1007		Eal ock says that in considering what protection escents to other facts have to be considered one of which is the duty paid on the restartal
15 15 16	30	17058 17040 17040	14245	Duties on yarns and Pabrics
		27000		Mallock states he is not advocating the free entry of all yerns
		190.0		Kellock is in fevour of free entry of raw silk, res cotton and such raw materials
		27042		Tabulation of value of imports into Canada, 1928-1936 of fabrics immole or part of artificial silk Ex. 1847)
		17048		Imports into Canada of artificial silk yarn, 1926 to 1936
		17043		Value and weight of weren fabrics in whole or in part of artificial silk imported in- to Canada in 1988. (Sr. 1848)
		17044		Sr. Molmer contends that protection should be very materially reduced on acctute paras under the intermediate abbedule
		17044		Rellook says he has no instructions to criticise enything in Mr. Mohuer's brief relating to Canadian Colango
		17048		Surtum on Japanese goods did not affect delpments until Sovember 18, 1936



16 16 17	34 35	14030	Duties on Silk Febrics
		17051	Mallock says the growth of the industry since 1970 has been according to by a downward trend in prices together with keen internal competition and that Mr. McRuer adopts that in his brief
17		17052	Daties on Cut Pils Febrics
		17053	New ant old rates of auty on silk and throwsters and throad nanufacturers Items
17		17008	Duties on Ribbons
27		17700	Buties on Throwsters and Thread manufac- turers items
		17088	Mellock mays that under the Intermediate and General tariff now in effect the thereweter has ac protection and if the throwster is to have any protection at all, it would have to be by an increase in the intermediate and general rates
		17060	Mellock states that Bolding-Corticelli colle direct to the trade and has a larger distribution expense than other silk com-
		17051	eilk companies had raised the point that one of these sospenies dd throwing and should not be compared with other scapanies when considering profits
	39	17065	Bilk am ertificial silk fabrics
113	60	17066	Boossity for compound duties



17078

Hellock amenits that a tariff is not on to enable industry to operate and not to give it extre money and that industry cold not omente it will without the tariff

Toriff protection enables industry to 17079 employ a large number of workers at good

West and St.

Mollock says that industry he represents 17173 do not endeavour to employ the chespest

labour possible

Kellock states that more existence of a 190學時

> enable as industry to may better wigos than an industry that has not got a tariff. One of the things to be ascertained from tre results of the companies behind the tariff wall is whether or not the proportion as between shareholders and labour

tariff apart fromit beight, does not

has been too much

Textile industry in Consda is paying in 17076 vaces 60% and u mards more than its

chief competitors in many lime

Rollock says exhibits propured by Rooper 17077 showing mill spreads in the United States MODE are hy othetical cases and are of no va-17141 lue as the competition in Canada comes 17101

Inn ore t British on ant the United

Staton

Hellock says that class of cotton ye ms 39 11 11 which came from the United States in 1.1000 1926-27-28 and 1929 now come from Great

Britain. - Mr. Mofhier mays they do not

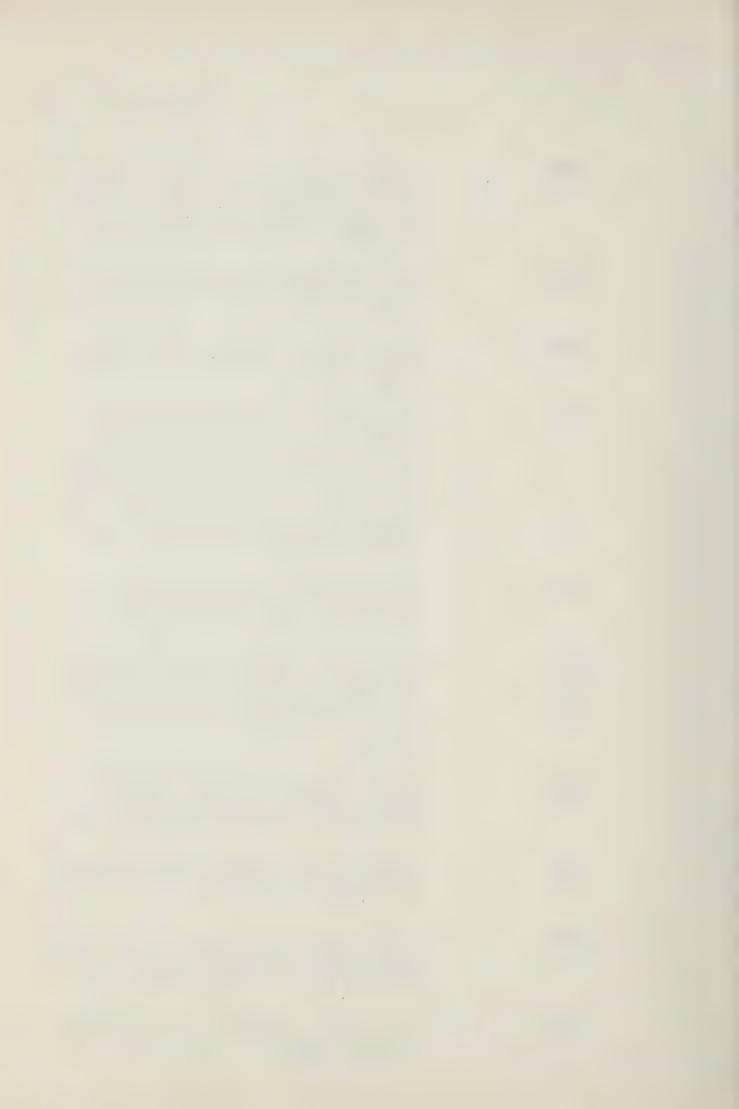
Switch in importation of years from Croat 17000 Britain Instead of United States took pla-17141

de from 1932 on

Hopper says there are certain cotton yarns 19:10 ... which formerly come from the United States which have not switched over to Crest Bri-

tain but which are now made in Con ada

Reliock says Excise Tax does not increase 17095 protection unless the term thing is paid on rew materials



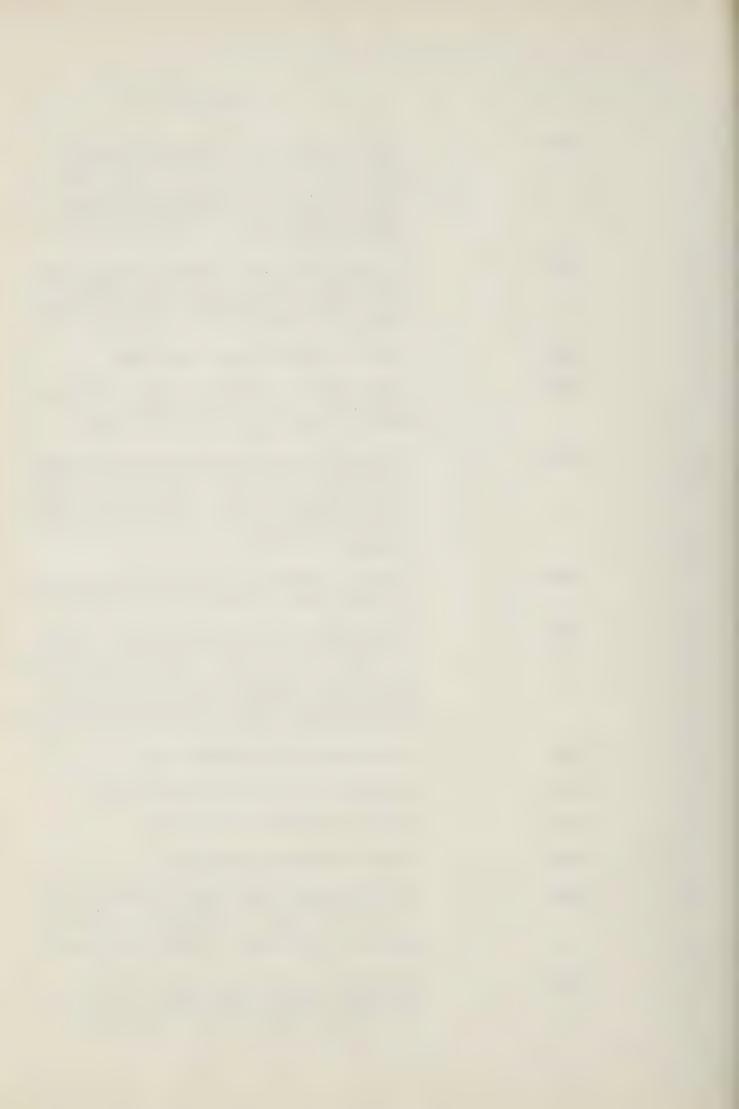
17101	Hallock admits that an absolute comparison cannot be made between mill appeads in the United States and Canada & a profit errived at in either place
17108	Definition of "mill aproad"
17106	Apprious mill spreads show heavy losses re- ther than a profit
17107	Kellock seys if mill apreeds are to be de- pended on from the standpoint of profit, these mills would have been justified in decreasing wages before they did
17106	Comparison of Canadian mill aprends used in Exhibits 821, 823, 826
17118	Rellock says that regardless of what the American mill spreads were, the articles which were affected by the valuations placed on them in 1932, were selling below cost of production in the United States
17113	Table showing cotton and print cloth pri- cus and mill margine in the United States 1928 to 1935 (Ex. 932)
17115	Conndian mills have to pay a sales tax on the value of materials used is plact extensions
17100	Mollock subsite that mill arreads only show a trend in the increasing or docreating are tarn to the mill and if it is is- sired to get at the question of profit it is necessary to analyze and go deeper
17133	Kellock says Mr. Molmer is wrong in sta- ting in his brief that wages did not go up efter July 1985, because wages were increased in April 1984
1712	Restoration of 5% of 10% wage decrease was made in 1934
17125	Kellook explains that as a result of decreasing met profits there was a 10% reduction in wages in the Canadian cotton

1miletry



17107	Hellock says indirect wages in everything the industry buys as well as direct wages overhead and everything clse, a ould be included in costs of production in determining what the protection afforded by the tariff amounts to
17129	Kellock states that protection is not given simply to take care of any extra labour cost, but as a protection applies all other costs, of which labour is only one
14181	Wages in a pound of yern (Er. 887)
17134	Couph propered from Table it 507, showing the variation in price between English and Canadian super bestery yern (Ex. 1850)
17125	Kellock says reason duty on yarns to weavers was increased in 1930 was because the French Treaty had a fixed rate on knitted goods including hosiery and as a regult of that the Dritish Preferential rates could not be increased
17109	of cotton yerne did not have a monopoly
	Kellock subsites that with regard to cotton fabrics, the British Preferential rates are the case to look at and not the hypothetical examples of supposed importations from the Value States, because the constitute one and continues to come from the United Aingson
17145	Section 363 of the Gustams Act
29248	Section 45 of the Cutoms Tariff Act
17147	Section 52 of the Customs Act
17167	Section 38 of the Gustoms Act
17146	British organizations sets up a Tariff Toe.d to press for tariff reductions. 10% dis- count on the British Preferential tariff was due to the activities of this Tariff Board
17150	importers in Canada have ample means of getting a knowledge of various customs re-

gulations through customs brokers, etc.



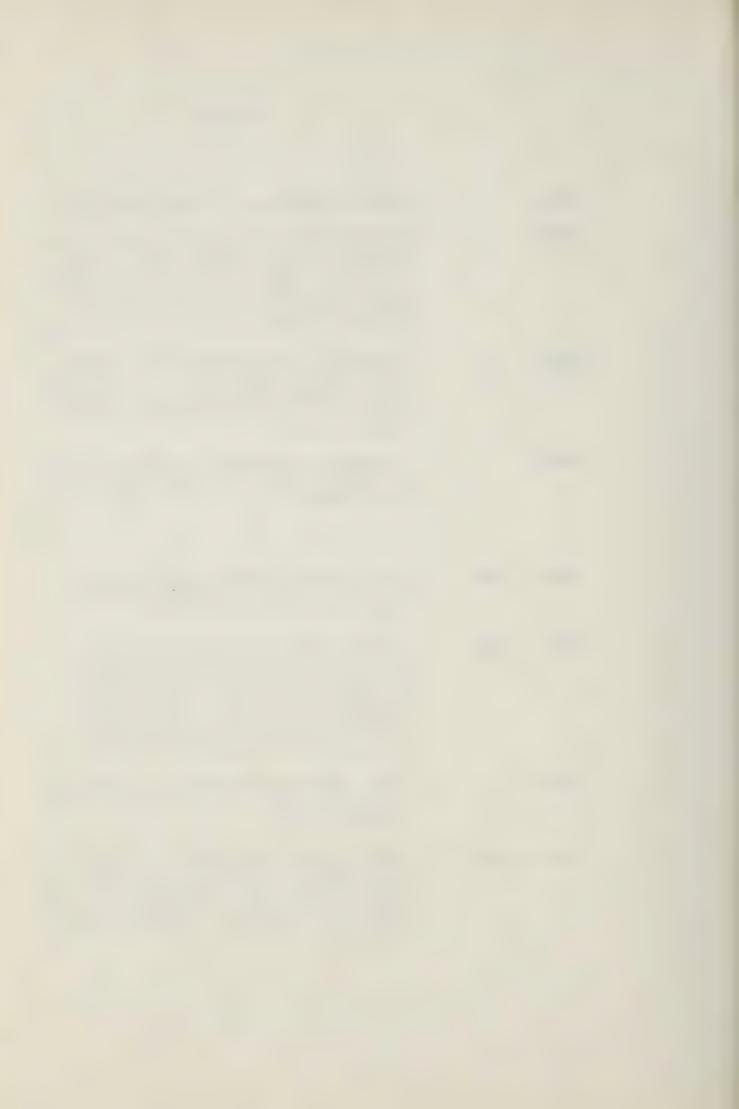
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1715%		Consdict Inverters of 1: ders undisting
17155		Canadian Ming Toy fabrica, which is made eatirely of rayon, cannot be compared with an outirely different fabric made partly of cotton and partly of rayon and say it is the mass and should be sold at the same price
17161 17166		netion (2 of the Customs Pariff Art has applied emisst imports from the toritain of Wool Jarsey Cloth and an advance of She a pound made on the true invoice value at place of export
17168		Cate out soud on every s at valores rd s on dutiable imports and total imports from Great Britain
18689	14706	I llock says the worlff crists in order that depited will be invested in industries which the toriff protects
18691	2.7995	E-liock mib is well the recibing is a see the returns on capital sufficient to ensure the continuance in the industry of capital already employed and to ensure the development of the industry by the re-investment of new capital or

18696 Tariff Apold be adjusted as thet in untry will not be able to make more than a reasonable profit

are the returns excessive or inadequate ?

18708 13995 Ecllock asys to see asks for an ensusonable profit, no one asks that the tariff shall be set to make an unreasonable profit and no one objects to the setting of tariff rates which will give a reasonable return



## The second of th

OE IN	Company of the second	ARRIGINAL RESERVITAL	Controlled the sign of the second controlled controlled the second second controlled the
1	2 2	16467 16469	Jaran - Rayon duties
475 475 475 475	3 4 5	16470 16470 16471	* Comáles meter
		a sugar	. Welfork contents that the present protec- tion against Japanese importations is not high enough
5	6	16478	JAPAN - Extent of reduction in duties
3	7	16473	* Effect of reduction in duties
55	9	18475	" Importations by A.B. Fisher & Co.
4	9	16476	* Evidence of buyers
6	10	16477	" Importations in the grey
4 5 5 5 6	11 13 13 14 15	16477 16481 16504 16580 16580	* Importations on consignment
		10479	evale duty by importing on consignment, i.  o. colls et a lower price than the import- or in Canada could import direct, the Cus- toms Copartment may collect dumping duty
		2,6800	Ellock says colling on consignment and importing on consignment, obviotes the macessity of paying currency dumping duty
		16904	fligh duties open the door to fraud
		16808	R Book sope he is standing that they can- goods should be taxed so high that they can- not be imported
		18938	take the place of direct imports, the price that the consignment importer sells at cannot be compared with anybidy else



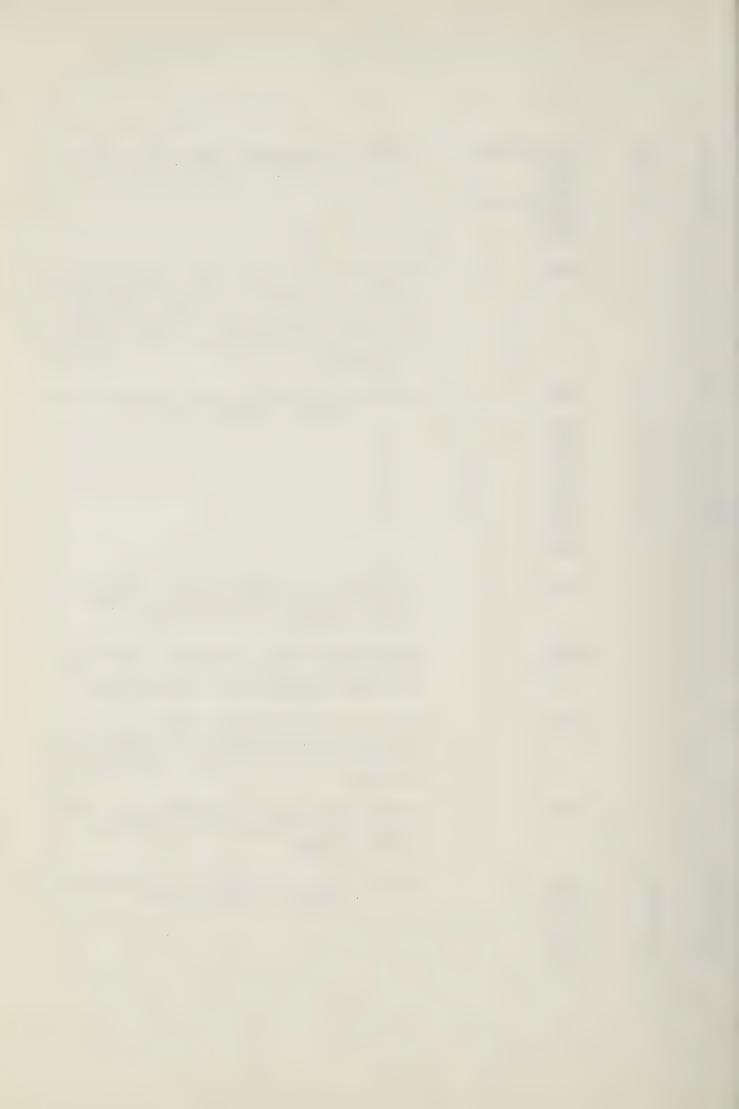
		16512		lighte of combining from Joseph and application of ourrowsy displing duty
		16813		Rollo & sepa balk of Java one busines is an exact proof, doops and very little is done on exact proof.
		1661 v 16683		Ho per does may amply out adjuste to would not emount to 10% possibly 6%
		16 520		Hellock sugments that cumping duty should be collected in every case, whether consignment or sale
		16501		Kellock or est sits any concrete importa- ations on consignment and any cases of fraid
7 8 8 9 9	17 18 19 80 21	18 527 16529 16530 16531 16358	14255	Jank - Reports of Jamases Hyone sabe- tential Costs (Svid. p. 18969)
		16957		Camalism teffetus are of some cometrue- tion and material as Japanese teffetas, but of better quality
		16539 16543		A light submits that the mount of pro- method used in consection with imports into the United States that tends to keep Japanese textiles out
		16540		Mollock thinks that Jameses imports into Canada of 128,581 pounds of artificial all between January and July, 1936, is a large amount
		16541		Kill och seys that if Canadian con is by higher than Japanese goods are boing to be sold for in Canada, there is no possi- bility of bringing it down
9 10 10 10 10 10 10 11	27 24 25 25 26 27 29 30	16543 16543 16544 16544 16546 16546 16546		James - Quality of James as regard



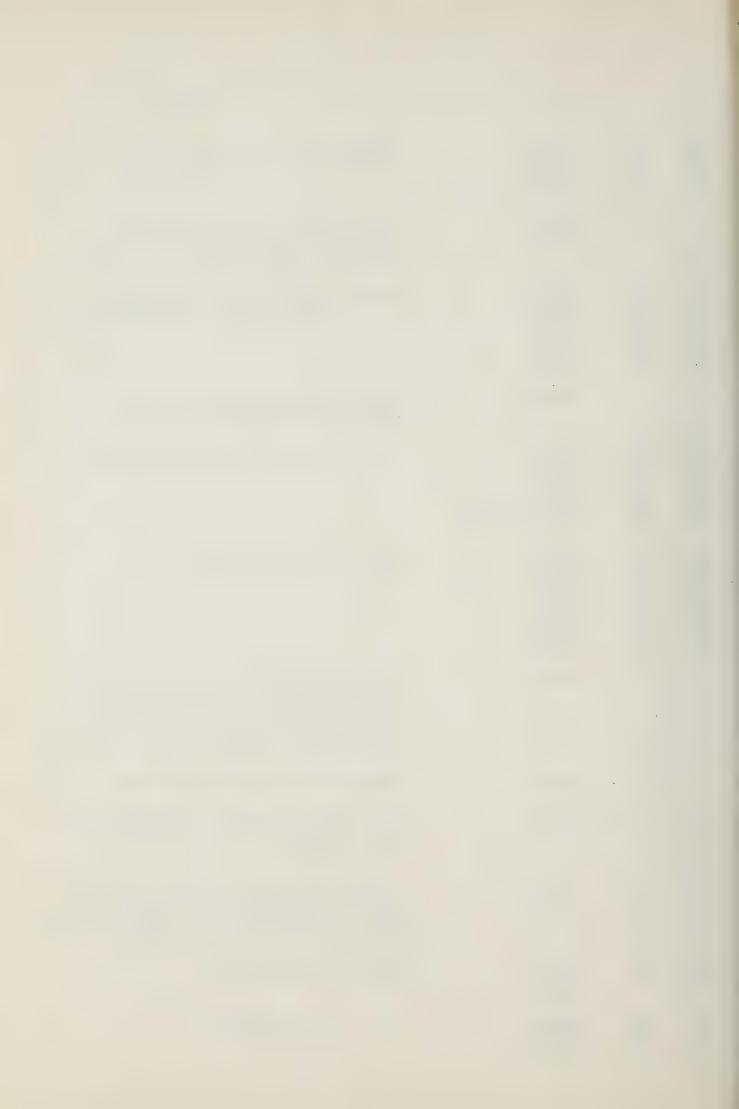
		16963	Quantities of Jepanese reyons imported by Australia
12 12 13	51 55 55 56	16548 16549 16549 16550 16551	JAPAN - Comparison of Japanese Selling Frices in Canada and Canadian Costs
To the second se		12551	Canadian Cottons have not got a costing system that checks out with their actual costs of production
14	55	26523	JAMAN - Cotton Piece Coods Duties
15	37	26355	* Real Silk Daties
15	33	36 555	Prices of Japanese ribbons and clastics
16 16	50 40	1635 <b>7</b> 16358	* Low Japanese Coat of Production
		16557	hollock any dependes forer and subsidies industry and shipping and has export cartels and guilds
16	41		Tages in Japan
323	**************************************	1.0553	
17	4.3	16350	
17	44	16.001	
27	45	16561	JAPAN - Depreelation of the Yea
18	46	16562	
18	477	16562	
18	48	16:16:5	" Japan produces bulk of its needs in
18	40	16556	pulp and chemicals
		16860	Ja uness ex ort train is not handar in decri- minstely but is controlled by six Japanese trade ussociations
	20	16567	Jimb - James se temption on Taport Associa-
20	31	16969	" Japanese manufacture at a profit



20 21 21 31 22	51. 53. 54. 55. 56.	16570 & 13794 16571 16571 16574 & 13796 16575	JAPAN - Experience of other countries with Japaness Textile Exports
		16572	Rellock submits that fixed valuations which brings the values of foreign goods more in line with the cost of producing the same spods in Casada, might be just as good and a fair to domestic injustry as the imposition of quotas
20 20 20 20 20 20 20 20 20 20 20 20 20 2	57 59 60 61 62 63 64	16576 16576 16577 16573 16578 16579 16579	Jaran - Experience of other countries with Japanese Textile Exports
		16581	Clipping from Montreal Cazette of Jenuary 2 nd, 1957, re curtailment of Jenuary cetton exports to United States Monorandum secting out quotes applicable on Japanese exports of cotton piece goods to United States during 1937 and 1938
		16867	United States Teriff Commission were able to establish a satisfactory demostic cost of production of wool and hait gloves and mittens
		16536	United States Tariff Commission were able to ascertain Japaness costs (Japaness salling price)
25 25 25 25 25	69 66 67 66	16086 16589 16589 16591	JANAH - Experience of other countries with Jepanege Textile Exports



26 70 26 71 27 72	16591 16592 16597	British Duties on Japanese Rayons
	16596	Clipping from Montreal Cazette re increase in imports of Japanese option goods into Great Britain
27 73 27 74 28 75 28 76 29 77	16597 16597 16599 16600	JAPAN - Combinations reached from expo- rience of other countries
	16600	Imports of cotton place goods into Canada in 1984, 1985 and 1986
29 76 29 79 20 80 20 81 20 82	18 602 16 602 16 603 16 604 15 804 & 13 792	Japan - Conclusions reached from expe- rience of other countries
31 83 31 84 31 85 38 86 58 67 53 86	10005 10006 10006 10013 10014	Jarak - Balenco of Trade
	16606	Egypt would not a coupt imports from Japan to the walue of Japanese purchases of Egyptian raw cotton in view of the estirely different level of selling prices of the respective goods
	16600	Japanese wheat purchases (Ex. 668)
	16611	Japan only purchases raw materials from Canada because they are cheaper here than *leewhere
	18613	Kelioek says suitch of wheat buying from Canada to Australia has been due to the fact that Japan was able to purchase wheat were adventageously frombustralia
(C)	16615	Japan - Japanese Surtax
33 90 34 91	16617 16620	* Canadian Surtex

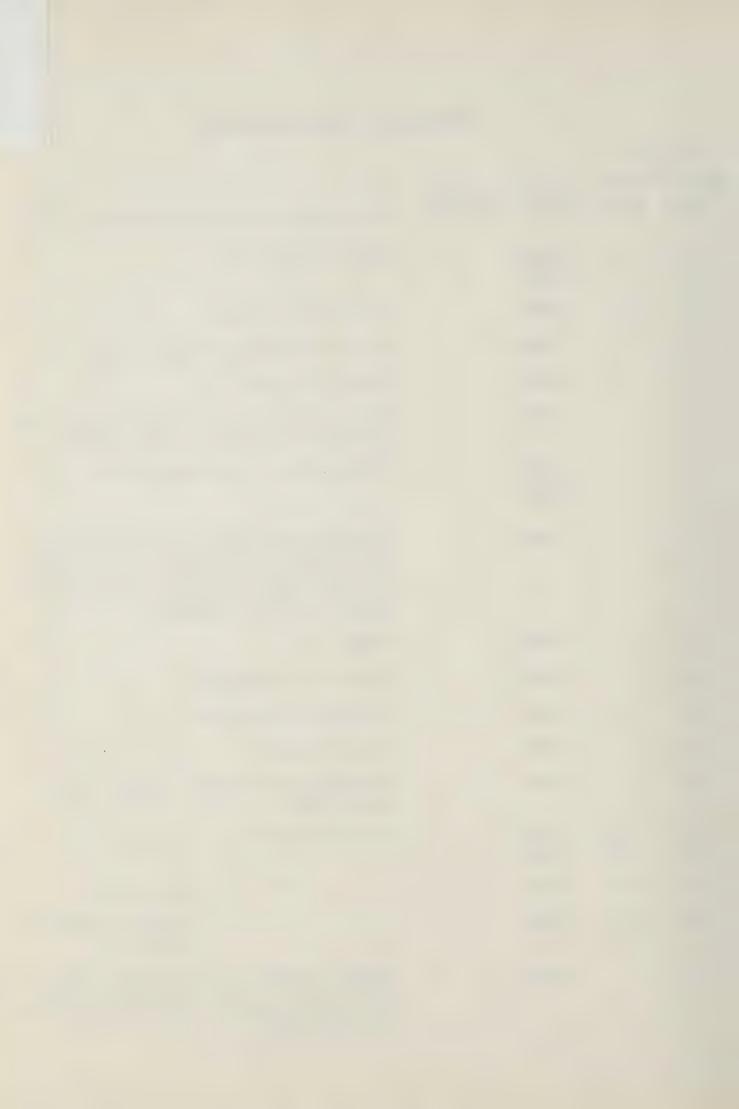


		16616	Jeponous claim that Canada broke its breaty with Jopen by putting on the currency dumping duty. Japan retalisted by imposing a 50% surtax on certain goods
		20018	Article VII of the Treaty
34	92 93 94 95	16697 16674 16674	Javas -Japanese Trade Practices
		16642 16642 16642	tron dec. 10, 1936 to Jen. 10, 1936.  Hellish of spipiers that traffagrenant was care to see that the language and la
		16656	Closing of Cherbrooks Will was entirely Mr. Cordon's action and the other members of the delegation at Ottowa on January 14 1936, had nothing to do with the decision to close this mill
		16660	Switzer's evidence re importations from Japan of broomded taffets
		14663	Evidence of buyers re brocaded toffeta
		16659	Gordon says several sales of taffeta were made to both the large department stores in Toronto and Montreal but Mr. Molinor ways no invoices were produced to substantiate this

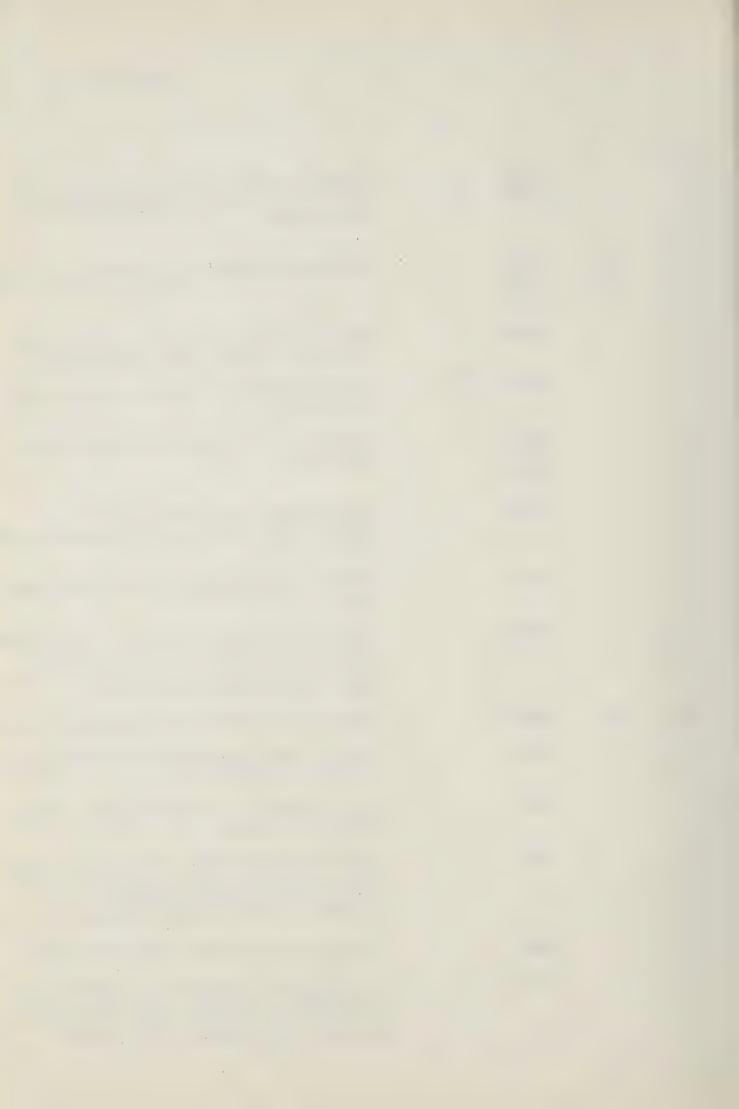


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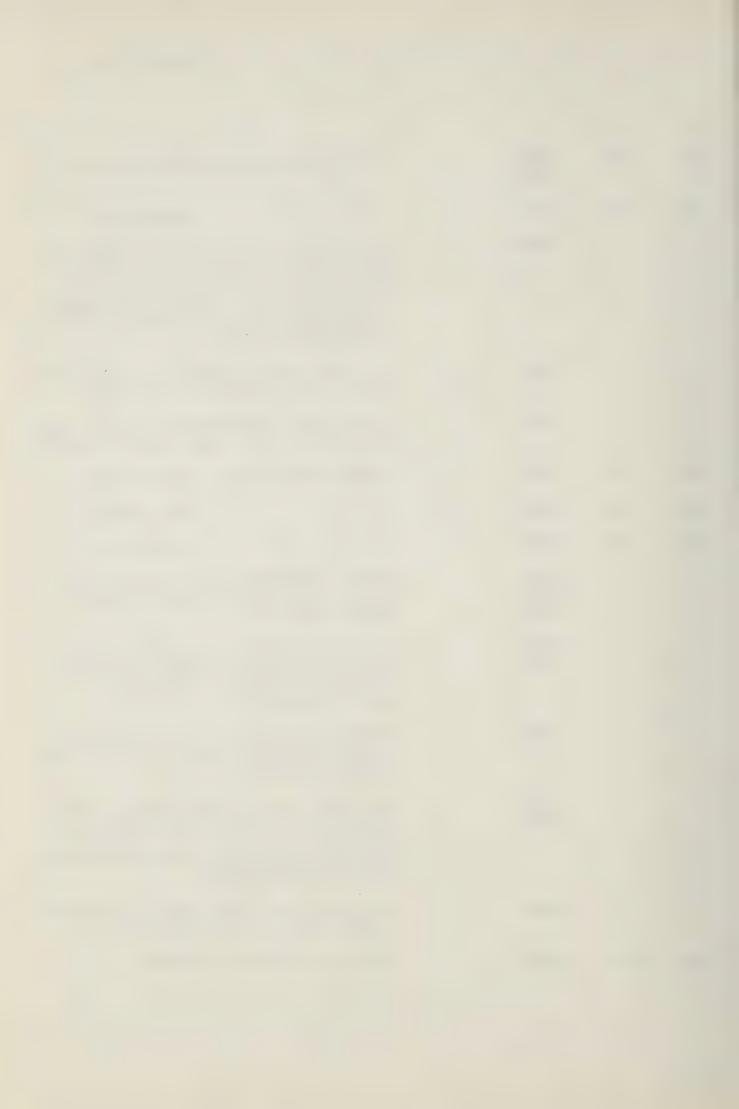
St.		B. O.	The second secon
1	1 2	16816	Trode Associations
1	+ At Mess	15.517	Pair Trais Practices
		. T	Trade and Industry Commission Act
2	4	168.63	Salve F.O.H. Mill
			Frice arrangements are not necessarily ony part of fair or unfair trade practices
		16610 146-7 17326	Section 498A of the Criminal Coic
		14683	in agreein acong themselves that unfair trade practices, i.e. celling fo.b. customer apart altogether from fixing a common price, should not continue
3	5	3,6834	Terms
3	6	1605	Marking of northandise
4	7	16836	Advertising allowances
4	8	16327	Store Furniture
4	9	16837	Price Sproads Comission endorses trade as pointions
6.	10	16839	Price Statilization - purpose of
5	12	16861	w Reasons for
ä	13	16042	* Bayers' knowledge and ar sevel
		16944	Kellock submits that the evidence shows why persons in the restial trade would favour price fixing, etc., so long as the price was not unduly high



	16945 25003		from time to time, but Wellock says trend was downward
7 9			
7 1/	13848		Place of an area of the state o
9 18			Frice Stabilization - Lord Haldens and Lord
			rarker.
9 1.6	10691		
	16652		Kellock cays one reason for a fixed price would be to prevent prices going lower.
	2	14744	
	14894	200 str 5 do -700	Attorney-Ceneral of Australia ve. Adelaide Steemship Co.
	1014.0		Saskatchewan Co. Operative Wheat Froducers
	10800		va horowaki
	1666		The state of the s
	Adio Williams		Evidence shows that certain mills were riving better qualities when a resemble called of for
	68988		Hellock says agressents do not curtail qua-
			lity
	16676		Spinning "ills that a Committee should be formed to determine quality of yours of va-
10 17	16041		Price Stabilization - Full Fabioned - stery
	15076		Means by which quality and attractiveness of hosiery can be improved
	18879		Each hosierymill draws its own line between Tirsts and meconds
	16 8779		Mostery agreements only set a minimum price and a variety of prices existed at the time the se agreements were in force. (See also
	16650		Ex. 1255, letters 197, 198 and 202) Some mills give better service than others
	the state of the s		come merce then been carefact first billing
	16003		If one of the mills broke the agreement it was supposed to notify Hollem fifteen days i in advance and a meeting was then called to see what was to be done (Ev. p. 8678)



11	2.0	170.7	Price We illimite - Colon In Green
12	3.5	15886	" Worsted Cloth
		16097	Dods said there had been no meeting of the Forsted Cloth group since February 1936 and that they were all free to cell at any price as which their compe- titors might sell (Ev. p. 10932, 1. 12 and p. 10933, 1. 7)
		At 604	Mr. Member says evidence chows that four mills still continued to fix prices
		1642	ers desired that prices should be stable
A STATE OF THE PARTY OF THE PAR	2 . J	18690	Price Stabilization - Worsted Yarns
14	22	16893	" " Cotton Towels
15	1340	18996	N Cotton Yarns
		1698 1770 1789	irles arm yeseat betwee fact conton opin ers for cotton yarms only applied to 59°s and under
		16 97 17340	Four other commission were prometed and years for sale could not compete with the four ecommiss having the price arrangement
		15093	Mollock sage these when fining wree- ments are legal in Canada so long as the price is not undue
		16900	there trains and that he only asked that they referred them to the proper authori- ties for investigation
		16931	Missch minits there enough be no further investigation of these agreements
15	05°5	16901	Price Stabilization - Carpets



## Beotion H - 4

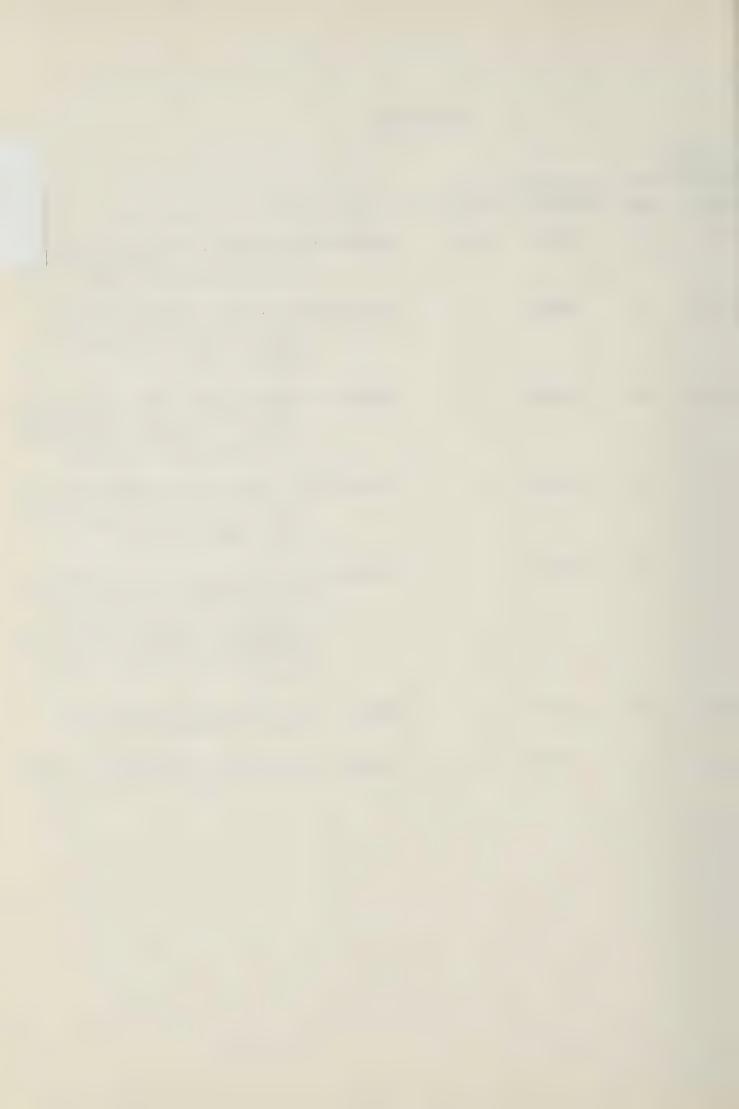
		189084	Hellock says corpet companies conform to each othersprices, not because of any arrangement but because of chape- tition
16	1 To View	16908	Price Stabilization - Prices & Profits
16	The state of the s	16904	Production Control
		16906	Heliock submits that attempt of Broad Silk Section to control production is cound precise



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35	****	3	j.	; v′.	÷	1 2

		Rudockia desertis	£2 £9	
9	the whole a steep	17.08 19000	- a concentration such such continuous communications and continuous	Competition furnished by domestic industry has a limiting effect on the cost of imported goods
er He	3	17361	C 25 18 2 2 2 4	Reduction in duties on Japanese importations, January 1, 1935, resulted in increased sark-up on Jacobs se co. 18
1-2		27366	Concurse *	Tariff has the effect of meking it possible for demostic producers to maintain the volume of production at efficient low cost levels
3	3	2.7365	General •	No attempt has been made by Cana- cian mills to use 1930 tariff in- creases to enhance prices. Ins- test prices have fallen
	5	17365	《,以忧郁的学 **	In some one s prices at which cotton fabrics have been sold in recent years have shown greater reductions on typical fabrics from 1950 to 1955 then the corresponding reductions in raw cotton prices
4	*	14364	Communes,	Full deskioned hosiery prices lower in 1935 then in 1932
4		17369	the second second	Deductions unde from the foregoing on related to consumer interests



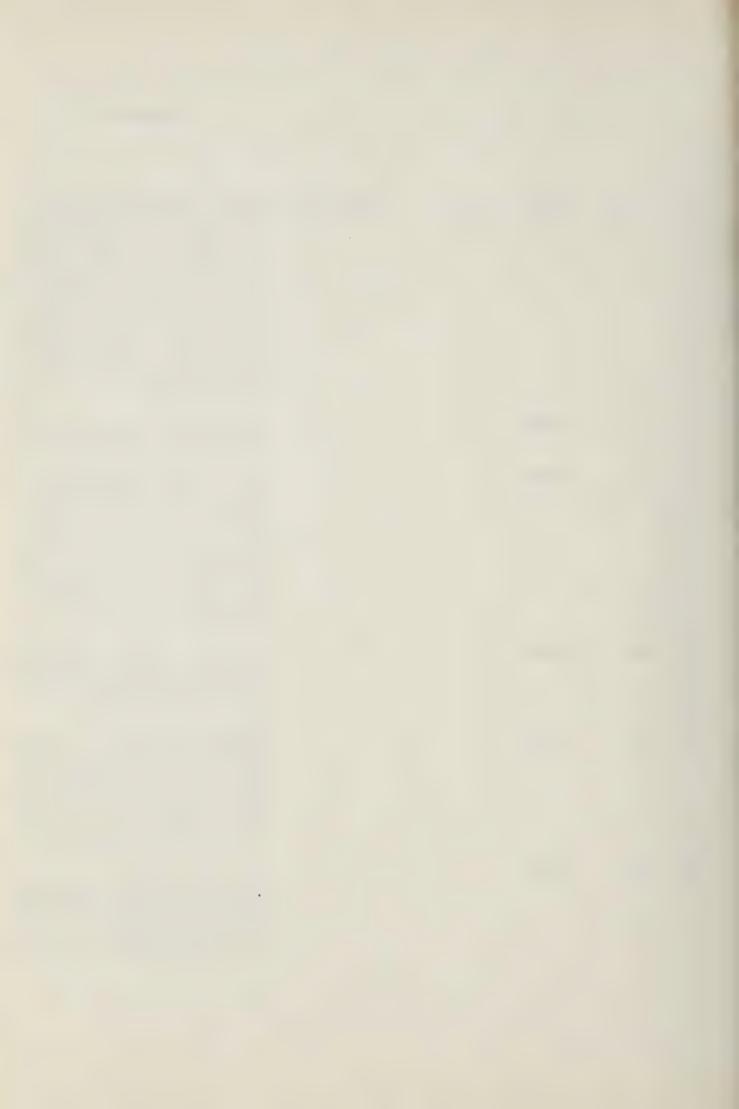
16603	Kellock news Wr. Morner did not have much to say about the point of vew of the public as distinguished from the point of view of the consumer
10634	Consumer's wint of view on the twiff
26607	Estion in Cenade is setisfied with teriffs



interfere (All conductor propries consequences consequences)		E. 7. (N. 6 <sup>9</sup> .) 10.	11 m 160 # 25		
a constant	and the state of the state of the	the state of the country forms to		turner is not not represent the agreement and planting	1. 3. Compared to the compared to the the the the the the the time the time the time the time to the time to the time.
1	1.			mini wions	- The textile is matry is inva- luable to the economic and so- cial life of the rural towns and surrounding countryside. It would be unwise from a na- tional point of view to increa- ae Canada's dependence on tex- tile supplies from other coun- tries
1.	8	17412		102	Forman tradile in ustry was able to reintain and impresse employment during depression years it played an important part in Canada's ability to weather the depression
1	5	17418		**	Tortile industry in Canada pays higher wages than those paid in Creet Britain, the United States (until the N.R. A.) and Japan
eriligi Vojus	4	17416	11950	**	ly less than a fair return on capital invested in manufactu- ring enterprises
2	<b>5</b>	27427		物	Larnings have been used to develop the industry, the public benefitting by the large scale operations
	6	27427		99	Success of establishment of fair trade practices has been inthe interests of the second dary manufacturer, retailer worker and consumer. Attempt to stabilize prices have been confined to paly a few of the Canadian textile products an resulted in no union enhancement of prices

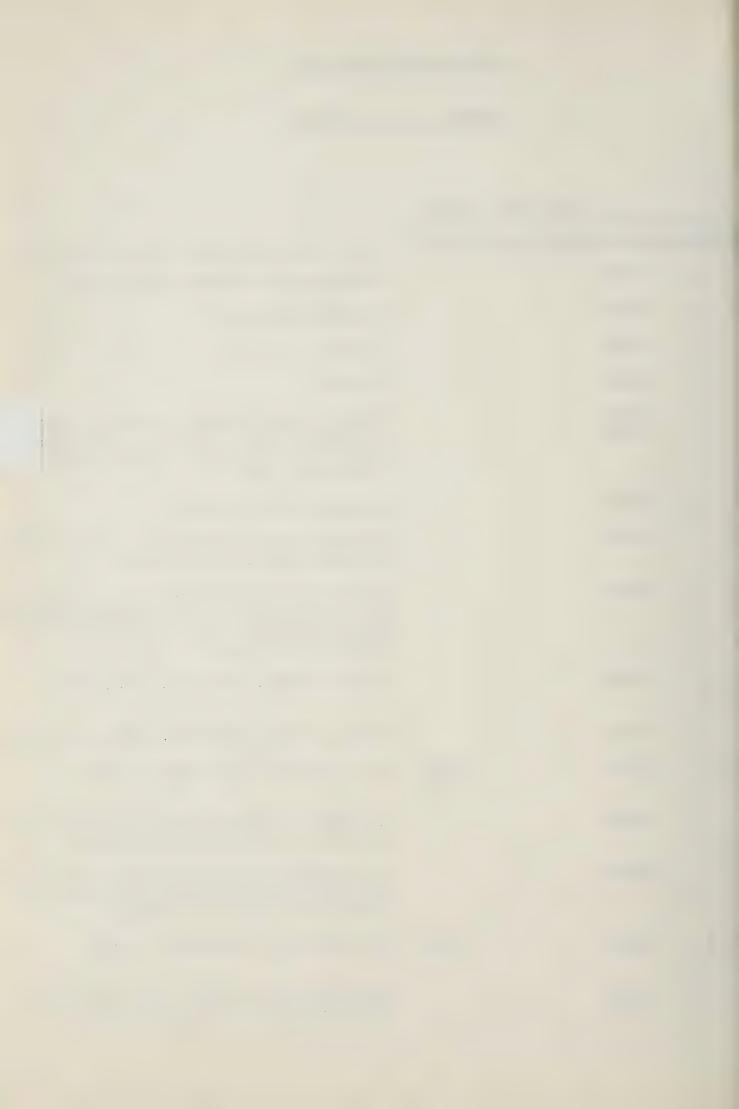


3	7	17418	Sumissions -	On Cunadian textile products and duty rates, excise duties and sules texes paid on materials, machinery, etc., is not now more than is necessary to preserve to the Canadian manufacturer that portion of the domestic market essential to him if he is to continue to maintain employment at the present level
答	ê	17418	₹#	Competition from Great Britain in persistent and powerful
457 467	9	27427	68	the to dommard revision of the tariff in 1936 and in other years since 1930, in- treases, conclusions which might be drawn from a coasi- deration of conditions exist- ing price to May, 1936, are not applicable to present conditions
	10	17427	8	Existing auties are inadequate to prevent serious inroads be- ing made by Japanese products in the Canadian market
3	2.2	27433	99	Permitting imports on consign- ment from Japan to enter Canad free of currency dumping duty comes the door to fraud and to unfair competition as between Japanese imports and the pro- aucts of Canadian textile mill
3	12	27423	¥€	poses are the host entire eter, means of equalizing low costs of production in other countries and Canadisa costs of production

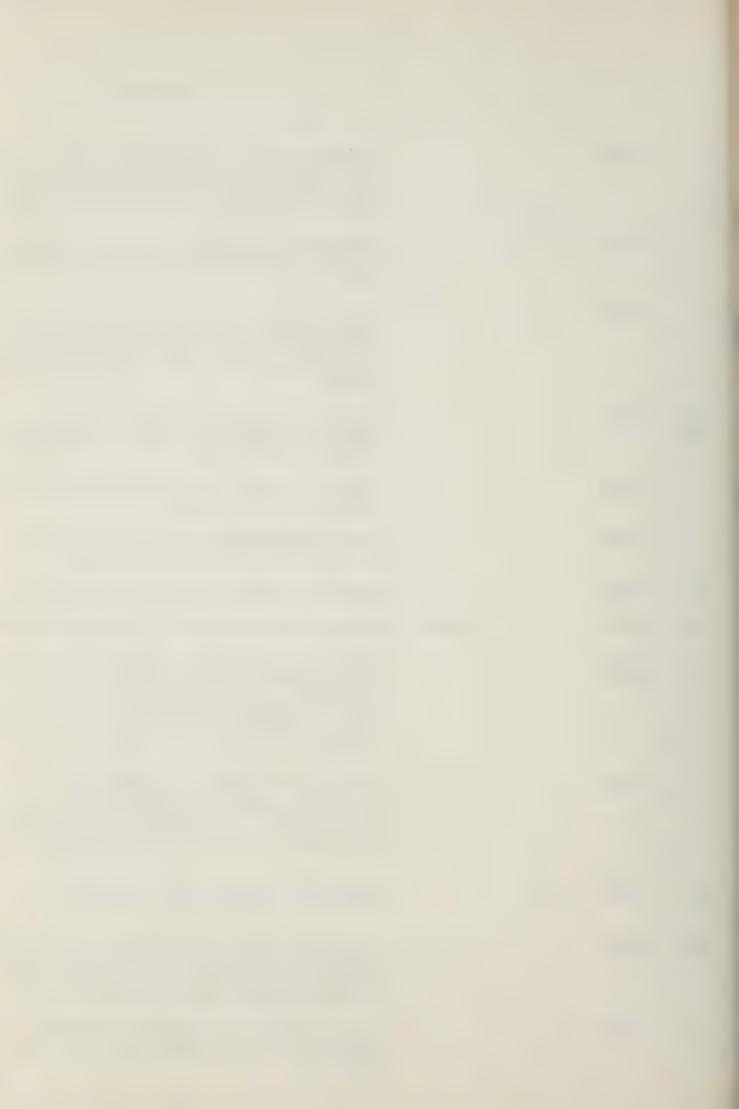


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2	17178		Description of Hosiory Mills in Caseda
2	27275		Dome wile production
	17174		la porta
4	17175		
	17173 17233		hosioty feeti n erwated 15 of its promotion is done a in 1874 - Quastion till traducts experts done in 15 of 17 of 17 or matter and Julius Naysor about 189
	27276		Apparent Canadian Harbot
	17179		A wie & Commission on bet for hooteyr in 1834 was about 5,674,000 dozen pair
	27370		Reliesk age it is obvive that if imports of any prohects are learness to excise prohection will be described and also exclopest. Ar. Moller does not agree
6	171793		Value of enles, 1930-1934, (Ex. 1158)
Ÿ	17130		Value of salue, 1910-1904, Julius Fayser Co.
8	17180	10043	Not prefit as a percentege on sales
	17182		As volume of sales introcers, note timey can be made on a lower not profit on cales
	17190		ir. Helmer mays that not profit an aclos does not now very mak as I that it is profit on expital that should be considered
9	17194	19043	Not profit on shamboliers' equity
	17288		Relieck refers to mills used in Corrission Auditor's sample as 'smoonsful mills'

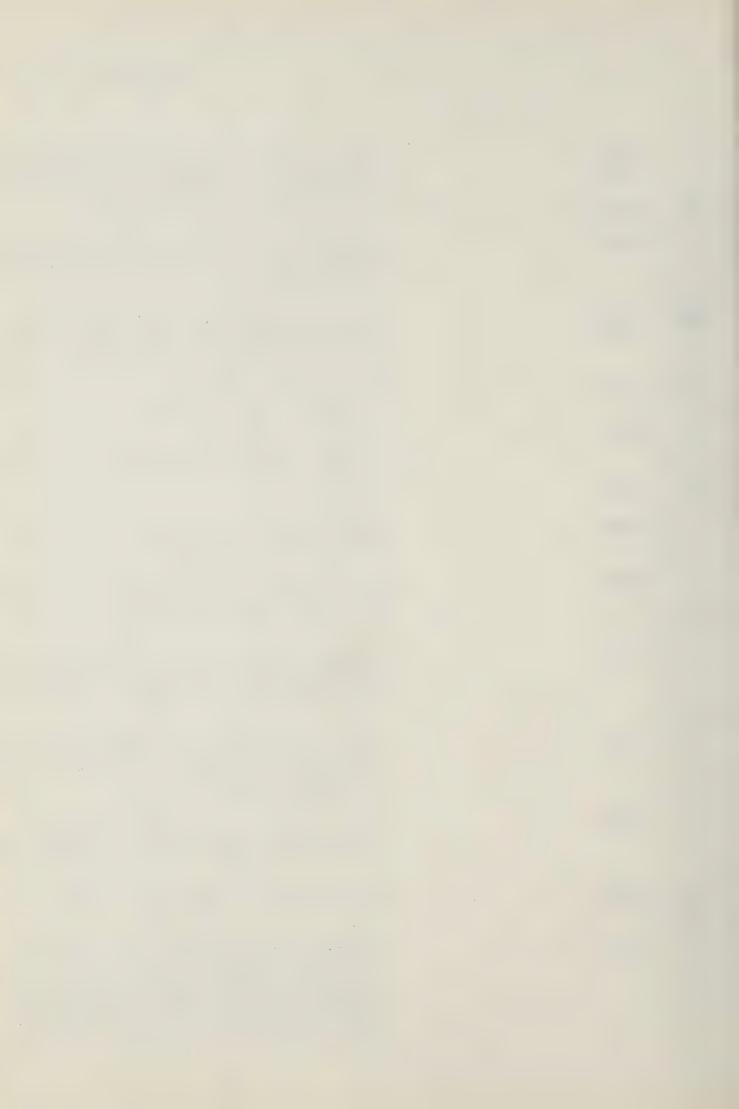


	17167		Willock any: the success will rills are he was wrich how their records in the best since and are, therefore, the once and t sent in easters to the questionnaire
	17100		Melinek out to that he has taken ar. Movero's figures as representian the in unit; as a co- le
	19190		fineles, division includes communies such as remans, which also reduces built too a but their losiery figures are included in fireres for rait g win and are not included in losiery figures
10	17112		furemails lesiony Co Financial record Aupersila Hesiony Co Trofit to Lales and Profit to Shareholders
	17198		1972 was the year in a low the path a to the characolders was lowest
	17298		Counts ranks fourth as an exporting estion and fifth in total trade of the world
	17001		Wolfrest Hostery Co Financial record
12	17804	19000	Canadian citte from some Co Financial record
	27000 2700		Mellock some for a class navor on sivered of the married level set mai Mellock is dealing particularly little is temporal because he wishes to discuss the of ear, if any, of any price discussion that there so sales took part in
	3,7809		Commission of the frequency paid (975,000.00 in Attracts on class of preferred ster a fet occ 1000 and 1935, - \$1,110,350 still remains sit the Company as undistrib too surplus and reserve
0.00	A POST SANS		Results of 8 Hostery mills operations
36	19819		Price obtailization - Firsteil rises in Olik Besiery business is great and requires a sub- tactial return because of (a) the modificary; (b) the pur autorial, (c) the expert a ket
	17219		Colling prices of ull festions a lery fluctuate with the fluctuations in the wice of rewalk



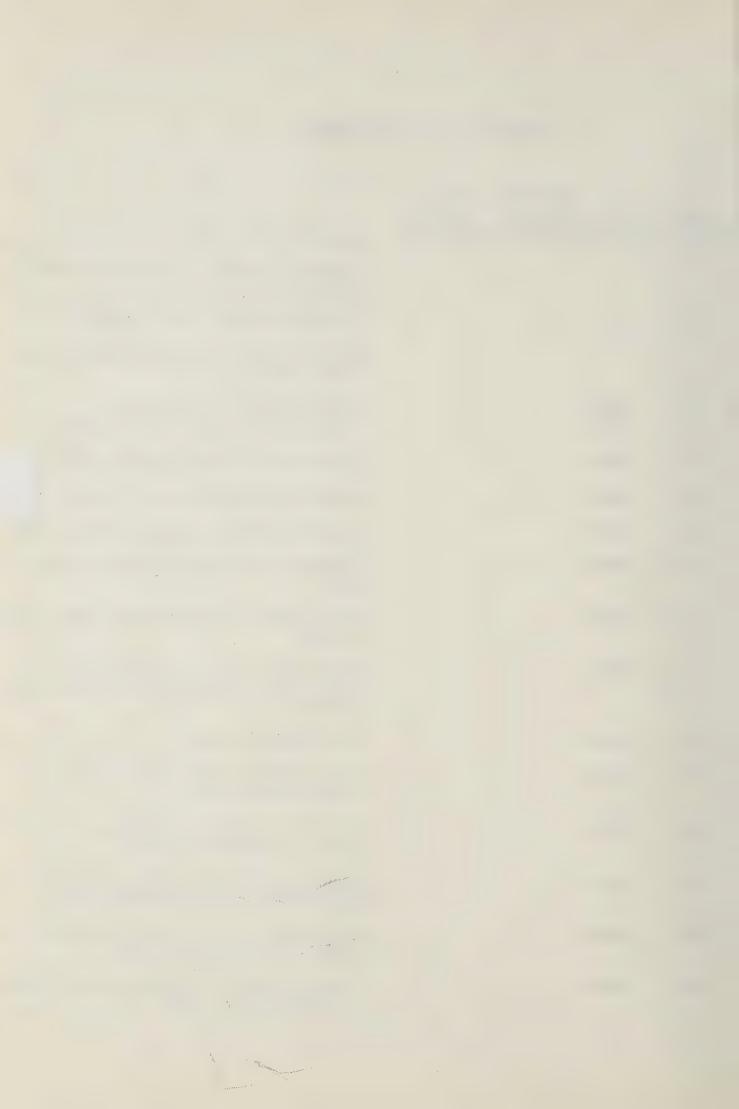
gover a few of the changer lines of production

	17030 17.61	lilk in heary can protect itself acclust vice fluctuations in r w stik by buying detures
1.5	17 123	Canadian Silk Products and Kaysor
	173 3	Meliock ears a that C hades industry should keep its good trading rolutions with other exporting countries
20	17223 17231	Analysis of S Wosiery Mills' operations (Allen-A. Osiber, Moleproof, Maristal, Asriis, St. Johns, Supermilk and Weldrest)
17/00	17886	Commains with products was we of the because objectors to price outsing
	27 36	Mallock's av lanation as to sky pice at 51- lization agreements were entered into in 1852
27	17226	Submissions
	27237	Relicek espe theterm 'work of stabilization' means stabilization of price
	And the state of t	That hestery no waits hat only a total re- value in 1933 of \$19,20, this being the va- lue of their sules less expenses
	17362	tract is condeted the seller has the original of meliveric any one of sile he likes, the there is is suitable or not
	27243	Edical some we was not appear to the mile would have been bett reform two led classi down and the less year, but was my that the returns were very small
	17843	The sight commutes aslected by Kellock to illustrate the hosiory section rate sand GT. of the full-fashiosed hosiory production
	173-6	Mallock mays he is ready to be judged by the standard shown by those eight companies
	17344	Wellook says evidence shows that the rice fixed in the Lastery a remarks went look continuously until the last one, which is all fitty up over the proceding one, and that they all cover a few of the change lines of probaction

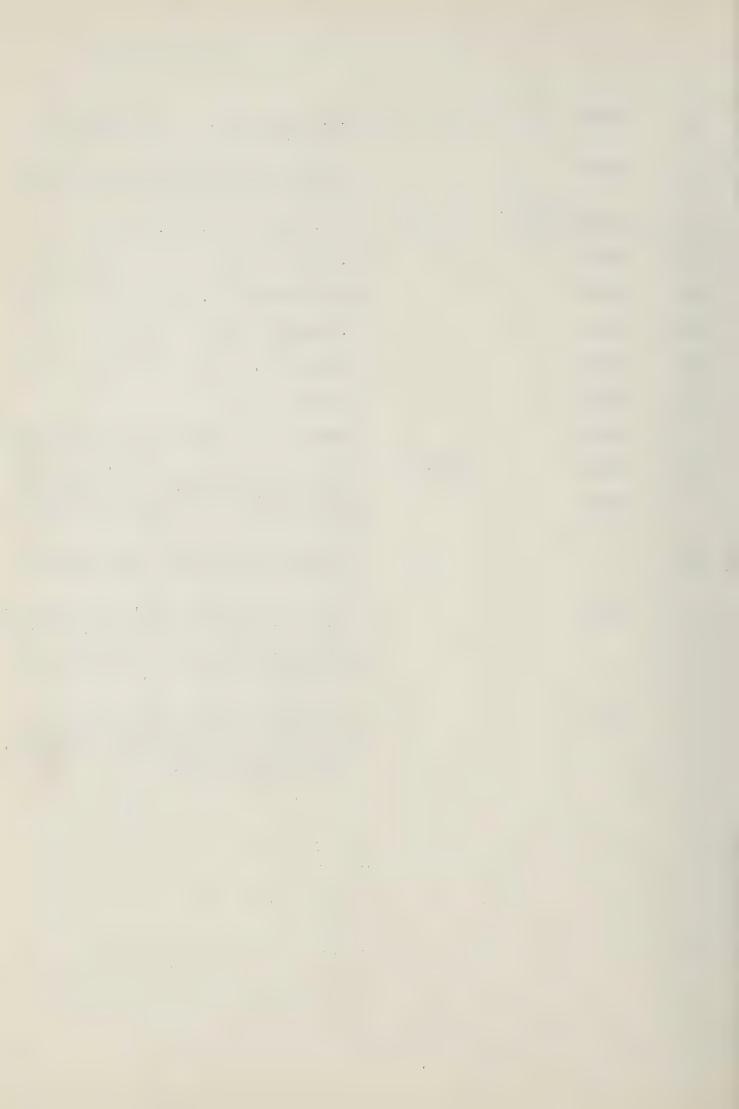


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		···C. IN	COMMINICAL SECTION OF THE SECTION OF	\$100 To 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
4					Comparison between Canadian and United States co.ton mills of (1) Neturn on total investment in opera- tion after eliminating goodwall
					(E) Return on ampital stock equity after eliminating goodwill
2	1 2	17244			Description of Emitting mills Production in Camada - 1986 to 1984
2	3	17246			Reports of Kait Goods, 1937 to 1936
**	4	17867			Exports of Edit Goods, 1987 to 1984
3	5	17/407			Apparent Market in Canada, 1986 to 1984
***	6	17240			Production of 55 kmitting mills, 1986 to
4	7	17250			Not refits to share olders' emity, 1986 to 1935
		19251			Het profite above as a percentage of abarcholder's equity is after payment of interest
13	13	17252			Het profits to sules
6	9	17254			Rogant Enitting Mills Ltd roturn on Common Stock equity
6	10	17255			Stanfields Limited - percentage of net pro- fits to chareholders' equity
77	3.1	17256			homeron whitting Co. Ltd percent go of net profits to shareholders' equity
Ÿ	18	17236		I	C. Turnbull & Co percentege of net pro- fite to shareholders' equity
7	23	27256			Denmans Limited - percentuge of not profits to shareholders' equity

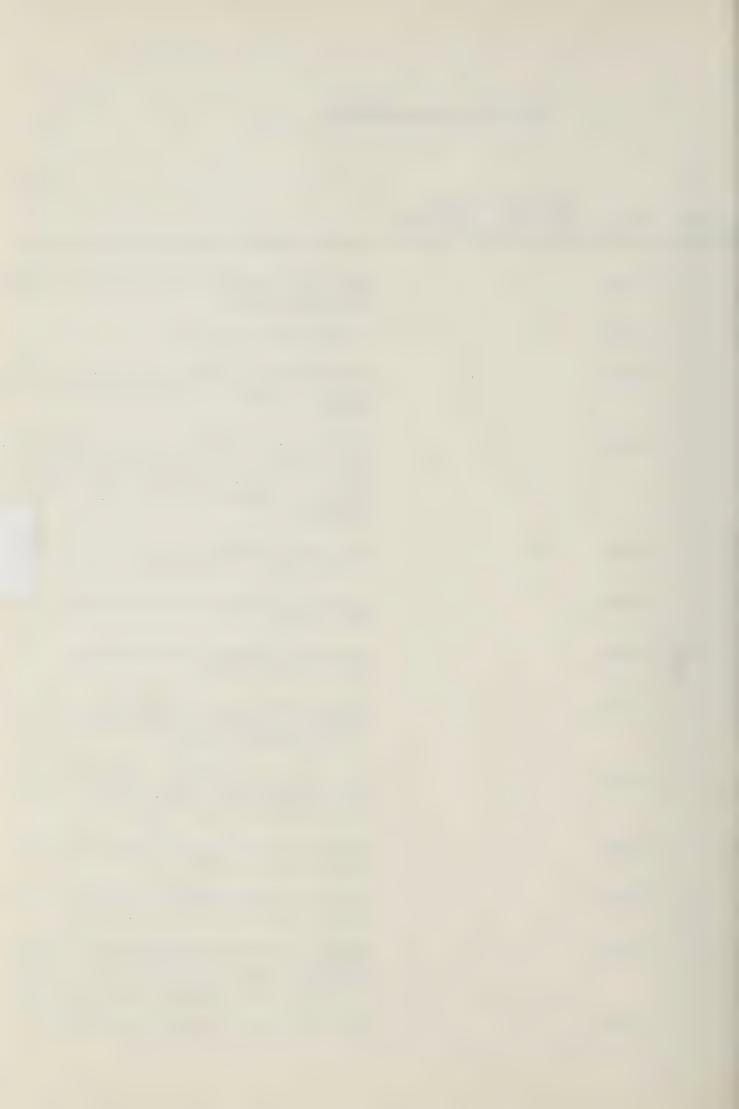


7	14	17256		J.H. Mocdie & Co. Ltd - net profit on operations
7	15	17257		Price Stabilization - Women's and Chil- dren's Cotton Underwear
8	15	17257		J. R. Moddie & Co. Ltd.,
8	15	17260		S. Lernard & Sons
8	15	17260		Mercury Mills Ltd.
9	15	17261		G. Turnbull & Co.
9	15	17261		Ponmane Ltd.
9	15	17261		Zimmerkmit Ltd.
		17262		Permans did not reduce wage rates in 1935
10	15	17264	19046	Agreement in regard to women's and chil-
		17265		dren's cotton underwear is still in ef- fect, but there is not undue enhancement of price to the consumer
10	15			No evidence that fleece lined sleepers are sold at an unduly high profit
		17264		Kallook says reason women's and children's cotton underwear is generally sold below cost is that it is necessary to do so in
				order to meet prices that are quoted or clse retire from the field
		17266		Kallock submits that only some of the members of the Association were parties to price fixing arrangements on Children's Flooce lines Sleepers

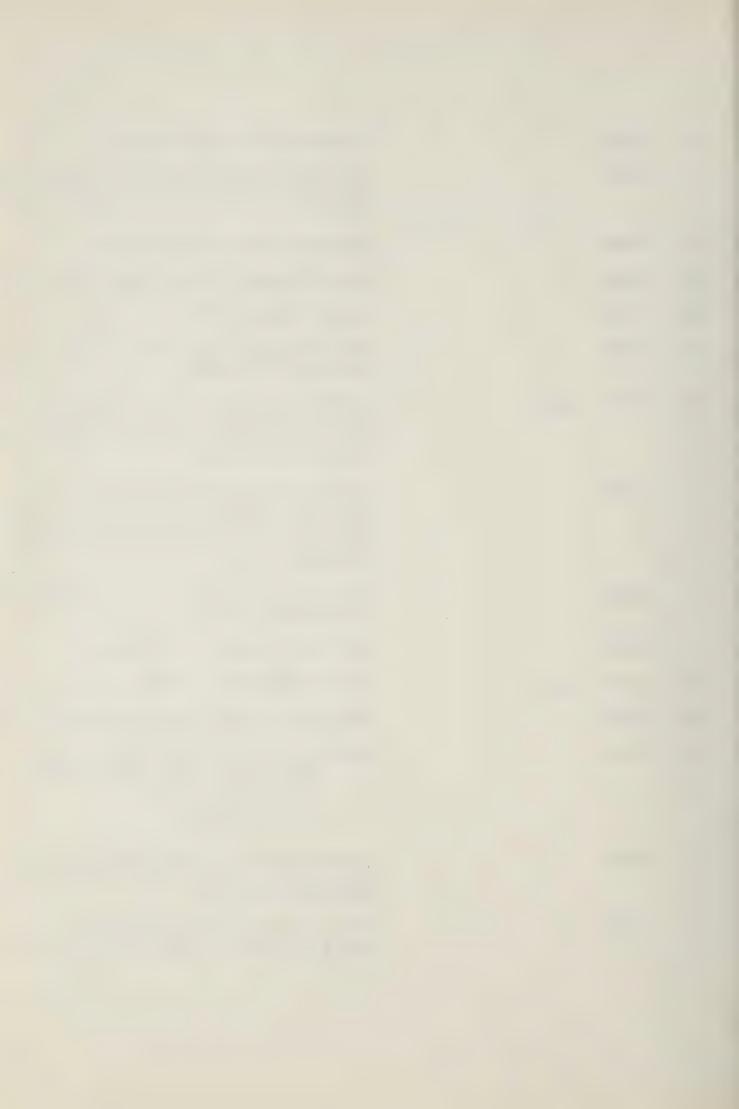


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of the second of				
1	1	17866		Corminaton auditor's sont ment on openation of group of Mills
1	23	17867		Frofits of the Industry
		17000		Reliact mays by includes also law one incu- me is not comit as it is not morit to be one may
		17371		Kellock sage difference between his med in a deli- MeRuor as to what denotitutes capital inver- ment is that Mr. MeRuor does not i clude and thing but tangible capital, while he i clude intengibles
2	res Supr	170713	211	Not profit including hims Lancons Income a percentage of shareholders' opity
8	4			Ave are reclina made in pro-impression of 1926 to 1929
3	4	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Canada, 1930 to 1935
3	5.3, ****	27277		Commission Counsel's figures shring return on shareholders' equity
		17777		Clock mills asperienced a party of Accidentich culminated in 1930, at which time to only had 23.3% of the home market
21 de la constante de la const	Ó	19077		Price per year of cloth heelined standily between 1931 and 1935
NO.	7	17277		We under profits were the a this no a vert taken of tariff to enhance prices
	8	74544		Securns a own in Commission Commol's re- contative sample of 15 mills are higher to the returns shown in either the available sample or the available sampel less one a
4	9	1/279		Figure 1s1 record of four representative



*	9	17070		Fire will means a track of a do.
		17890		Explanation by Lr. Leguer of the countition from compactes returns were made up by Mr. However
6		17295		Financial record - Daton Mig. Co.
*	10	17786		Pinamial record - Paris Minery Mills Ltd.
6	11	17860		Fatons & Heldwins Ltd.
5	· ·	17863		Bulk of Patons & Palivine' business is the under Pariff Item 531A
55		17357	22.7	Operation of Orillia Wil. of prefator of la less and Worsteds should not be compar d with Patons & Beldwins as types of years pro- duced are not similar
		1000		branch of a world-wide organization. It has no capital structure of its own, but operates on loans from the parent Company in England
		311201		Comparison of old and we retes of duty on hand lemitting yerns
		Topic in		Duty rates on machine knitting purn
8	200	17269	236	Price stabilization obtampted by sit mil s
6	14	17730		Corprison of malon and profits for six mills
7		17100		Overetier results - Astronomo Clan Co.  Dominion Woollens & Worsteds Itd.  Aroust Textiles L.d.  Liels Pros. Ltd.  Paton Mfg. Co.
		18:00		Kallock mibmits in i Bargymore Cloth Co. emde no unius profit or even a fair return between 1931 and 1935
		17071		Ke lock essiss thoras and in Evan's report to Junios tooless and forstels its



8	15	3,7022	St. Johns Textile & Hemilts of 5 mils o
8	15	17890	Mool Top prices in
8	16	17293	Submission that mo by any of these six
		17293	Estrock awaits th

Mills Ltd. comb imed

1933

undue profite were made m mills

at an examination of the at a millathe or live a Corete Clock Dection shows no indication of any undue profits being made by the mills in any of the years from 1931 to 1985



		TITLE .	PAGE IN	3 7 3 7 8 0 7
1	17 25			Sempanies reported on in Commission Auditor's Nr. No. 916
All A				Franction of real and artificial silk and mixtures, 1951 to 1954
	27295			Franction of real silk declined slightly after 1932 while artificial silk increased year by year, apparently replacing cotton
	1720			Incre se is actificial silk rotaction is at the expense of the roal silk mills
	17298			deal silk distance are real on artificial cilk missed. Artificial silk mistarce are artificial silk and ootton mistarce
	17300			What the Compunios' normally made
4	1730			One div coults of head like Crap
-	17. 12			Mules, Aut Tits, percentage to Sales
6	202010			to seles, 1986 to 1936
7	17:03			tiles not included in Commission Auditor's reports
	17500			coasful
8	17304			The only corpany shore not posit is shown is in the case of Associated Textiles Ltd. (Na. 907, p. 1) - Is all other cases 'not profit' is a tridial revenue (II. 907, p. 3 and 4)
9	27302			at any time



Associated Textiles had a loss of approneately 460,000 for the first year's operations. Kellock mays Howson loss not include that year in his figures

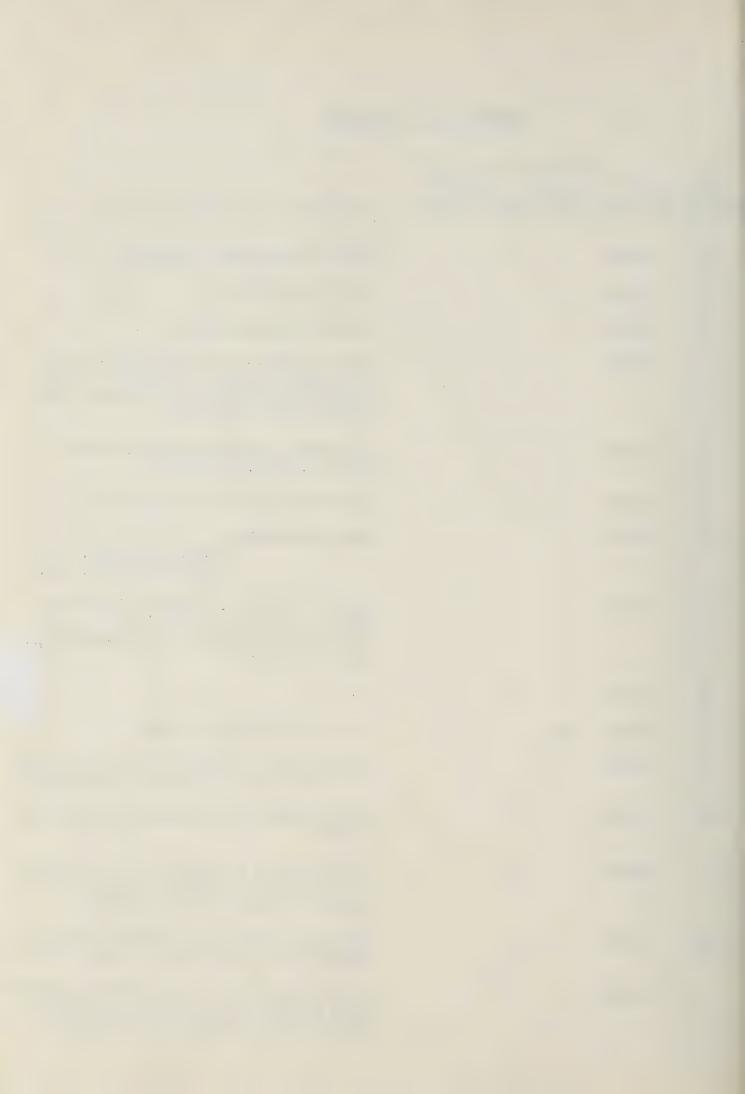
17804

16098 Kallock submits that the rearn has not

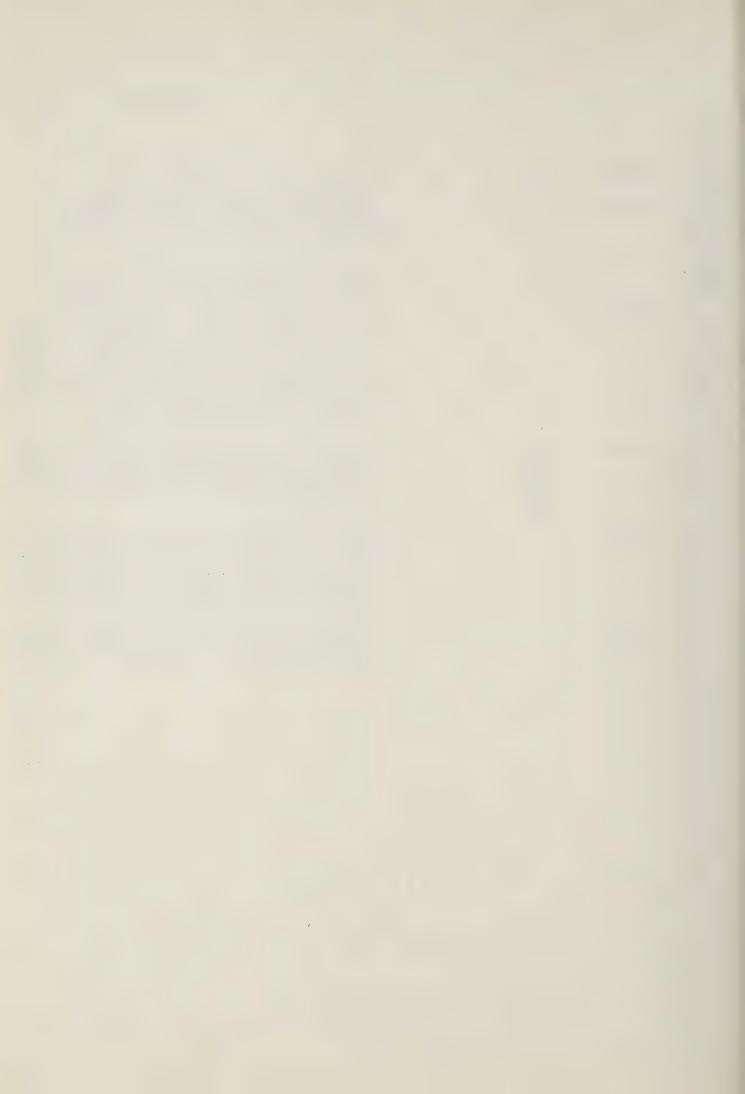
been excessive at any time



		CONTROL PARK IN COLUMN TO THE RESERVE OF THE PARK IN COLUMN TO THE	
1	1000		Number of Companies reported on
2	1000		Total not profite
45.00 45.00	17506		Entums to sharcholders
	1,7706		Sollock submits that the profits inthe Carpet Division for the 10-year period 1986-1996 and particularly between 1981 and 1986, were very low
4.	17306		Not profits for 10 Companies, 1936 to 1955 (Ex. 1191, last page)
5	17507		No provision made for depreciation
6	17508		Unpaid dividends Harding Carpet Co. Etd.
	17908		Harding Corpet Co. recapitalized about 1800, shareholders being given no par value common shares for the preferred and common stock
7	17509		
8	1000	545	Scies stabilization offerts
9	17310		and Briaton Carpet Companies, 1931-1936
30	17311		Not profits to shareholders' equity, 1936 to 1925
			Barding Carpet Co. paid its first dividend on common stock in 1936 - Ballock cays Go. hung on to its profits in 1936-35
12	27/12		Detailed analysis of eurolapanot strong or Comiph Corpet and Worsted Spinning Mills
	17313		Mellock cays maney used for utable invest- ments might partly even from the original capital and the balance from cernings



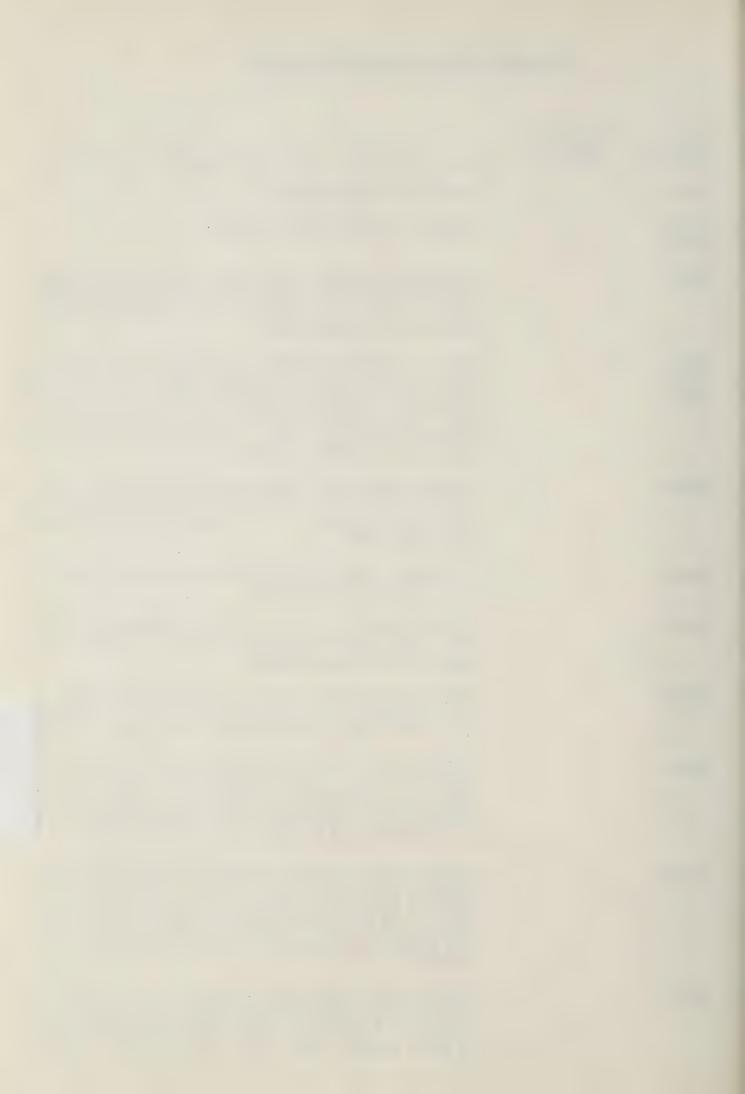
1.8	17313		Companies did not undally profit
13	17514		Price stabilization las as outlines by Mr. A.E. Outhbertson, of the Marding Corpet Co.
13			Comments on Commission Counsel's Brief
	17516		Kellock says producers, sholesalers and distributors do not like disarganized price on thing practices to continue, and that it is not in the interests of the consumer that price cutting and selling of goods below cost should continue, because it results in unemployment and loss of money
	17300	346 347 348 351	into an illegal agreement to been anybody in business as tis als to the texetion on the community
	17781		Kellock mays there was no suggestion of any a remember there are an accurate to the control into price, discount and other arrangements as carry as 1921)
	27032		In 1970, mile had note business Wan they could handle so had to mation oustomers



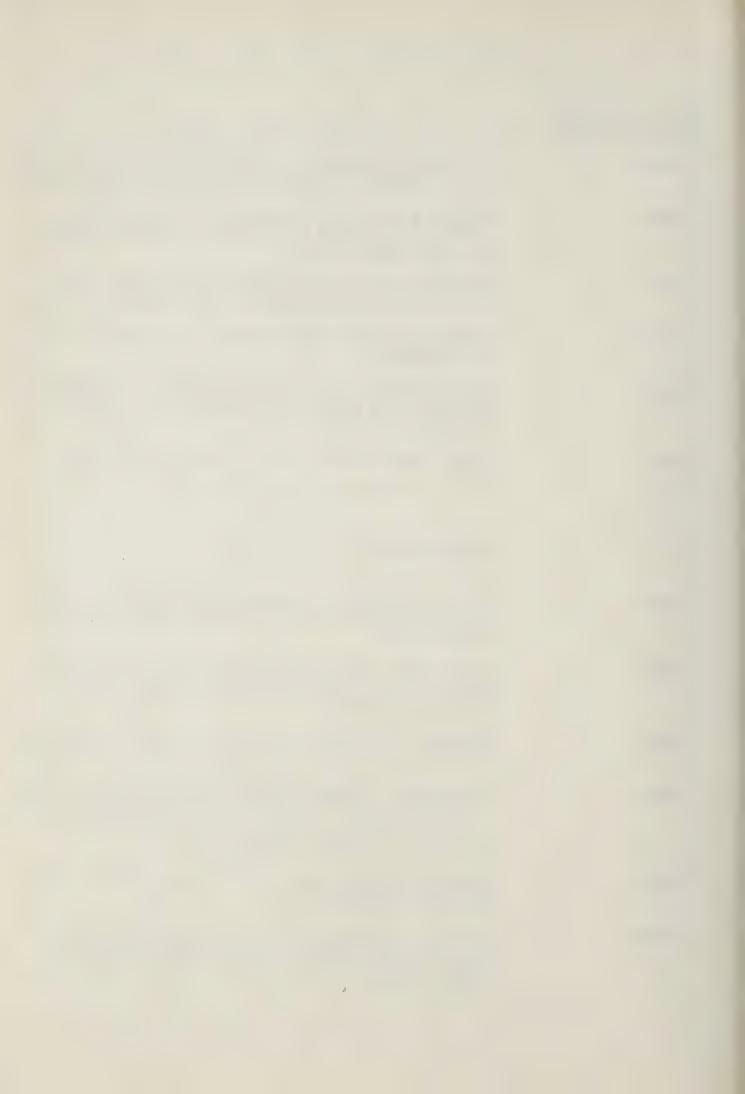
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17.32		The King vs. Canadian Esport Co.
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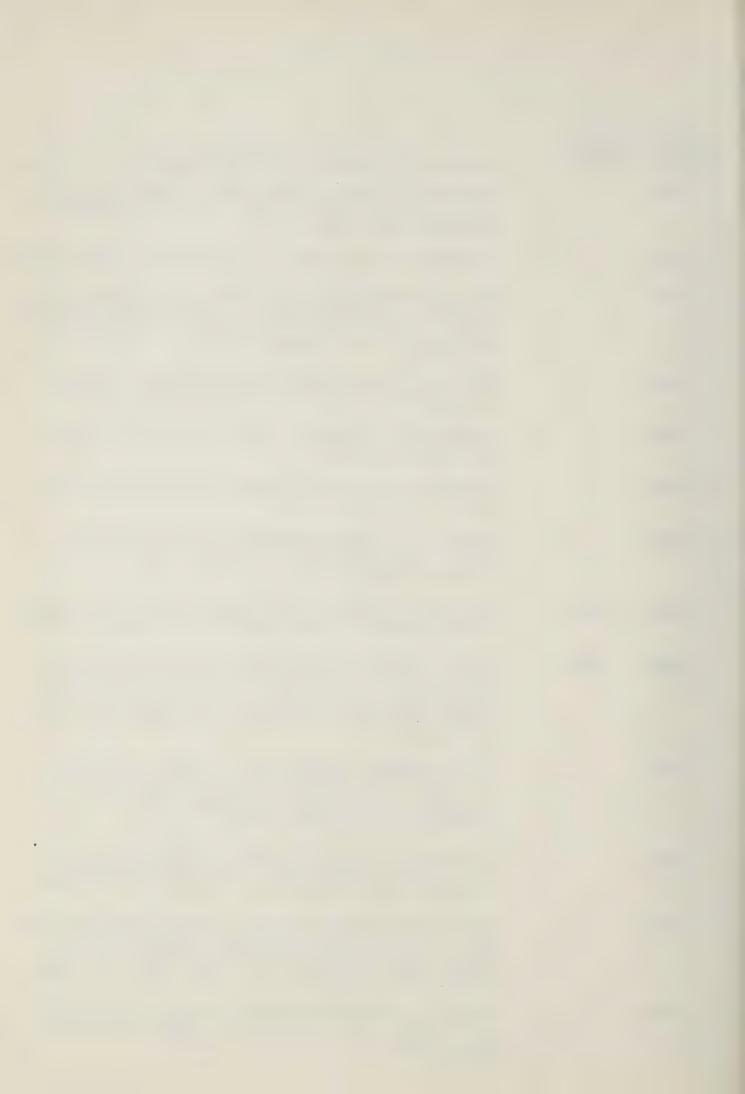
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173444	Fvidence and letters of Caske (Caselian dis misses) to post coincide as a fire existence of lie of a second
17348	Hellock submits that Demision Woolliens & Worsteds and I have been been to be build of the large line and in the Evens' report
17347	Defer now Court wellst et lin on the ty, there are to be no more . earings before the Tariff Board
17850	ero computed
17353	Stranged cost is the most reliable basis on which to determine that a surfacility activity costs of A. I. I. a selling price should be
19387	Partic Food he rin , as to 60 - this univine ren years
	A supplemental process of the second of the
17360	Not out man l'en tie lu matry protects lé cur u so igne outsire cur oults and l'en a us attent d'ins un l'oreign pools
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27369	Increased orders of Joseph C. de Learnie a contrat.
	delicat mays beaution in terms of the terms of the evaluation to the terms of the evaluation of the terms of the terms of the terms of the level of imported merchandise
19364	Sellin wices of same of the law laws in Course the
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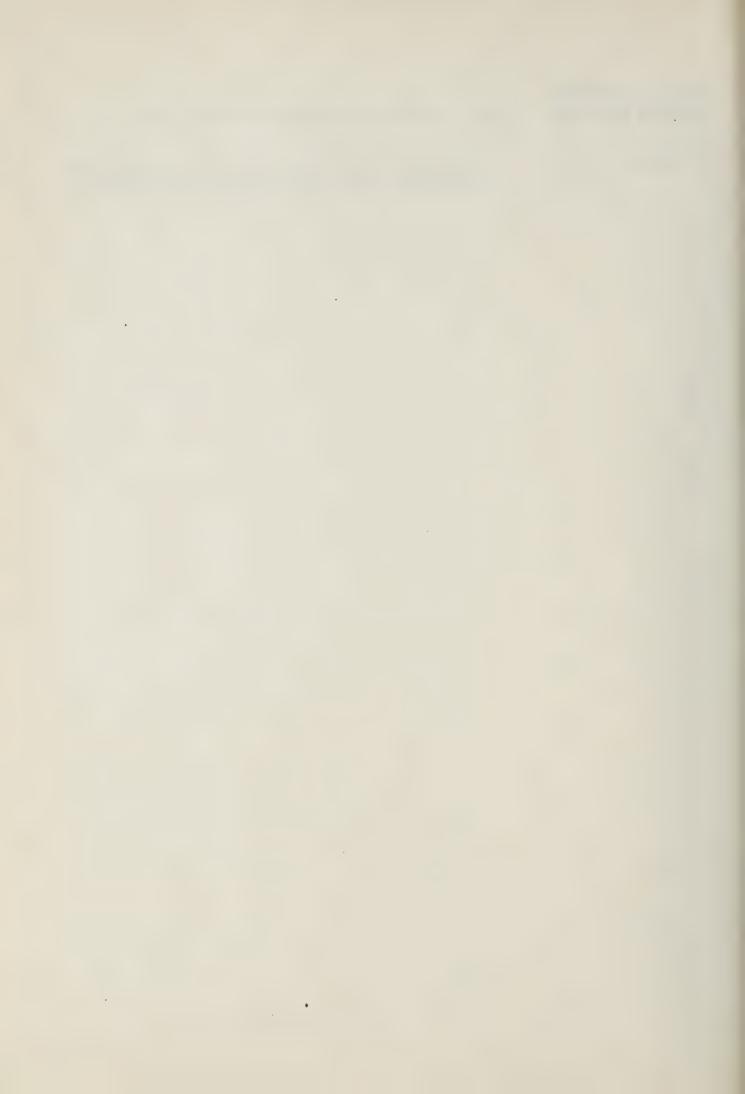


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Carthority is the state of the	
1. 1872	trim not of value of paraficture and state in General by production (Ex. 1882)
17001	Proclaimed washes of the year of 1958 is 29.277 (12.1853)
175	I hot a sect at the interest in the common line of daty and the interest in 1950 at 1950 at 1950 at the line in th
	manufactured textiles, but wool years are
17703	E; ortalise of testile free all countries in 1.83 and 1935 (Ex. 1954)
1700	Amort tion of devile: "Por the Vacual Ch. Jon 12 1930 and 1938 (No. 1355)
17366	Article 11 of 1932 Ottown A resement distinguishes between industries fully established and toose requiring special care
17500 1877	A rear of T slight of Mai Lewel time, Jun 2, U.A. Landing to be well to
17900 10094	Nation ministra to me plice prompt in the interests of the modic in the ent test by mills ackall not to established as a time plan they were not about that the mills to the mine that the plant is the mills to the mine.
17.99	Siltork and its due objective by Marcall Leville
	to resa release since to ". see's ear" was on the true information he been given, but this all the information had not been given
174-97	Exiloris restrict the combite plant and in a little property of the compact of the combite of th
17410	tal och sigs Comitto ter ils in mis mod i him i vi- res than there wis in he United is the cities of washe that it only wise to a modification with
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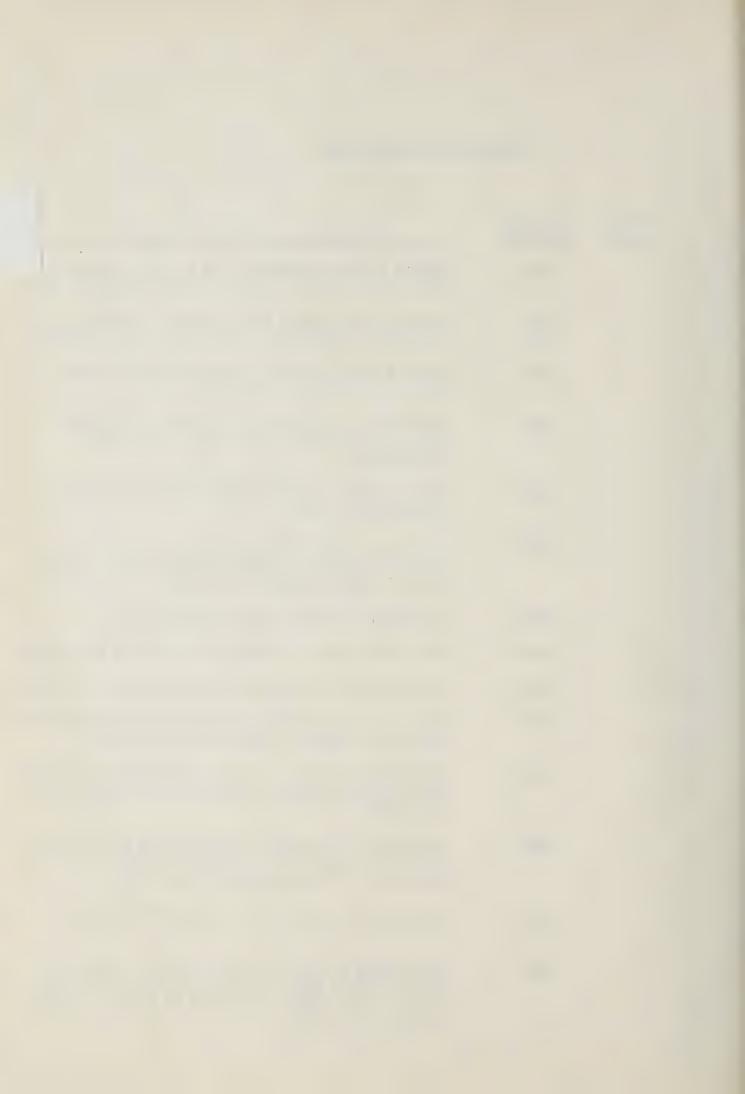






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	10775	to months are than a selection of the so artes
	18790	excibit 917 - Finergial manage of individual companion in Cotton Division
	11/7/53	No counsel has suggested a better sethed to survey the industry than that used by the Commission
	16791	in Cotton Division
	20732	Mr. McSuer says Kellock maintains that how certial got into a so my should not be us at-dered - just samings on orginal
	145373	Appraisal write-ups are perfectly clear
		Durn "Net Profit" on act be elalering to any my
	25734	anio of aderio Copina madema in we fair try
	10705	antic of alse to Colt i and yed us alignoted for appreciant write-ups shows a higher result
	18796	tion and Net Profits on Sales - Cotton Division - (-x. 998)
	16776	in to ent some the with after entered at long to be fore Lines! I some in an ar and Interest - Cotton Division - (Ex. 998)
	1.3737	"Interest on Losne" refers to inter at on all
	18737	Straments shows a specific this, which of the constitution is a second to $\mathcal{L}_{i}$ and $\mathcal{L}_{i}$ and $\mathcal{L}_{i}$ are constitution in $\mathcal{L}_{i}$ and $\mathcal{L}_{i}$ are constitution (Fig. 998)



Statements showing capital complayed and 等。如此了一 results from Operations - Cotton Division (Pr. 998) 1137733 Summary of Operations - Cotton Division -(Ex. 998) Statements for other sections of the indus-1 41 1 try were compiled by Boseen in the same mamor as was done for the Cotton Division. Mr. Molhier's explanation as to how they were dealt with 1 111 Careholders are entitled to a profit only on money they actually put into the business and the profit should be a remeanable one Poursons Limited . Not profit on sales to 2. 沙风 capital employed in the industry (Ex. 1970) Kallock segs not profit on sales has no IMMI relation to eapitel All revenues, except those from outside 1.1811 investments, must come out of sales A protective tariff should go no further I SHOULE than to protect on honout investment of money actually smue Sarnings of ailk companies, 1931-1935 18499



### J. C. Melle 'S LEWITAL

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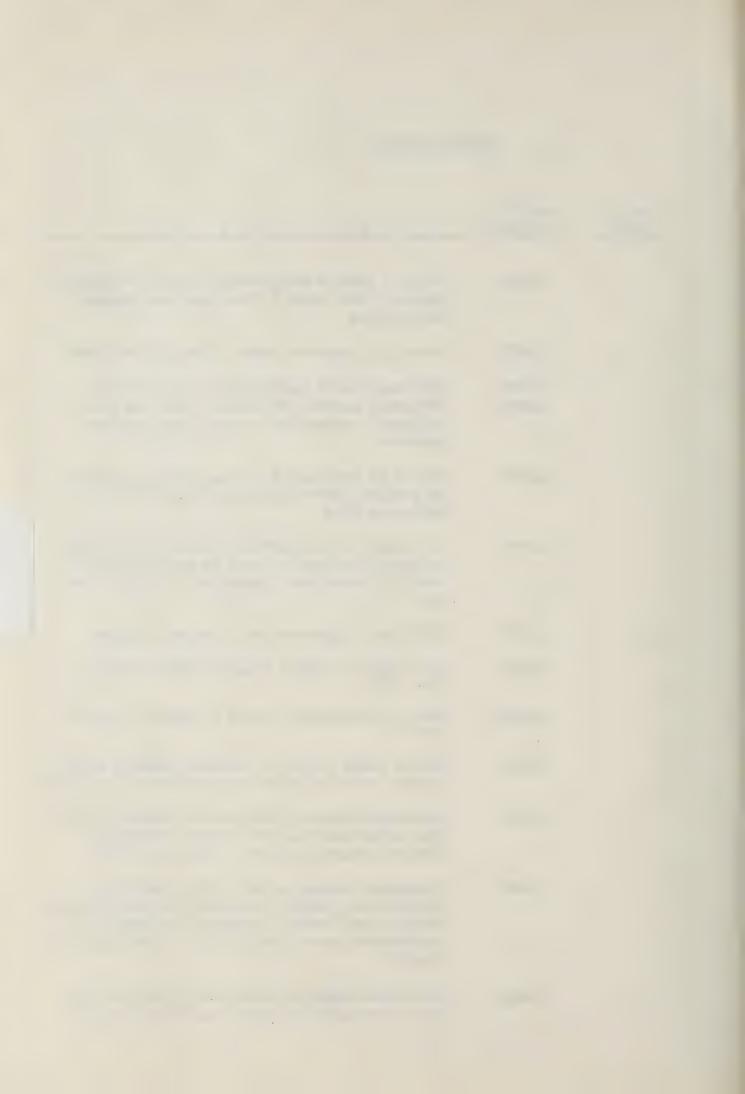
#### The Royal Control of the Control of

	10063	Analysis of those galafully employed in
	18966	In 1 934, 112% of those gainfully employed wore engaged in primary textile industry
	18967	Number Suployed in primary textile industry was 51,000 in 1931 and 63,800 in 1936
	10968	In 1931 percentage engaged in primary and cocomicry textiles amounted to 2.40%
	18969	Classification by industry of those guinfully apployed and distribution by provinces

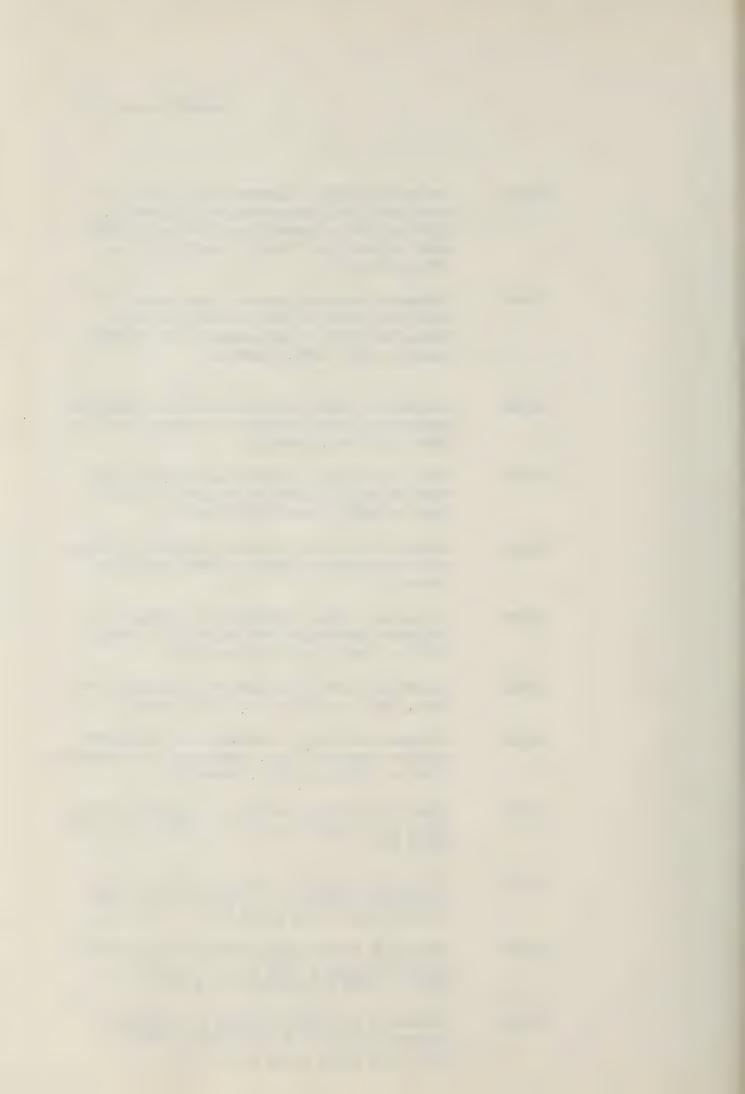


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Cycli Spr. dalaw-ddis-blaw-reis-daladdis	A CRAIDE	SUBJE OF
	18971	Primary textile masufacturers are now dealing directly with retail trade and not through the lesslers
	18972	Number of people on relef from 1932 to 1936
	18975	1935 exports of a righture and vegetable
	18975	products, animal and animal products, sood and wood orducest and paper, Iron and its products
	18974	Effect of degression on the Spinning Section of British Cotton Industry (Ex. 600, Ref. 7, Statement 74.)
	28977	If Canada is to maintain position in foreign mark sta it cannot be done by making production in Canada some expensive than is necessary
	18000	1937 Trade Agreement with United Kingdom
	18986	Menorantum re United Kingdom Tunde Agreement (Az. 1374)
	18986	Cost of production is not a factor of export
	19003	March, 1937, is me of National Revenue Review showing value of exports from Canada (Ex. 1378)
	19006	Statements abording influence of demostic tex- tile trade and relative tariff policies on Canada's general export trade (Ex. 1379)
	19006	Statement dividing experts from Commiss to British and foreign countries shipping fibres, textiles and textile products to Cameda in substantial quantities, 1925 to 1936 (Ex. 1279, Chestl)
	19017	Statement during imports into Canala of tex- tiles from 1926 to 1936 (Ex. 1379, sheet 2)



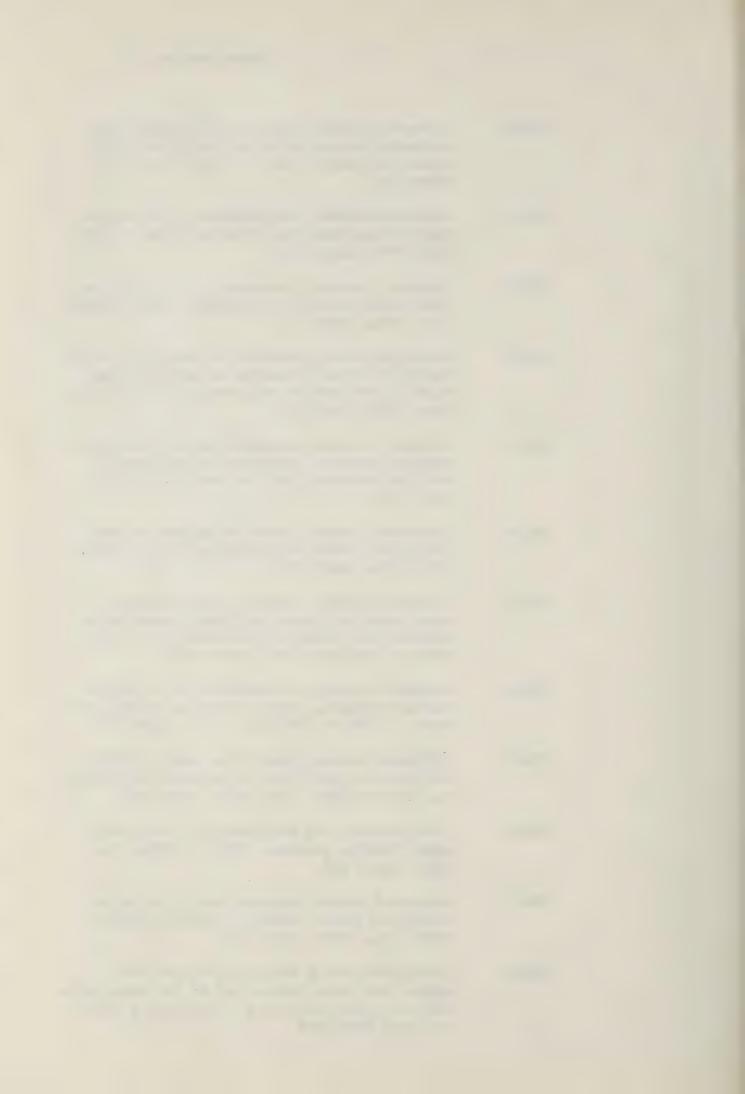
- 19019 Statement slowing imports into Canada of textiles f and duties on Hected thereou, 1936 to 1936 Comparison of value as between British and foreign countries, (Ax. 1379, Sheet 3)
- 19035 Statement showing imports into Canada of textiles, 1926 to 1936, Comparison of values as between divisions of the textile industry (Ex. 1879, Shoot 4)
- 19085 Statement showing dutiable and non dutiable imports of exten and its products, 1926 to 1936 (Ex. 1379, Sheet 5)
- 19324 Statement showing composition of duty free textile imports (out on and its products)
  1936 to 1936, (Ex. 1579, Sheet 6)
- 29025 Statement showing dutable imports of cotton end its products, 1926 to 1936 (Km. 1579, Sheet 7)
- 19026 States on shaing breakdown by classes of dutiable imports of cotton and its products 1926 to 1936 (Ex. 1579, Sheet 6)
- 19088 Statement showing imports of Flax, Remp and June, 1988 to 1936, (Sx. 1879, Sheet 9)
- 19026 Statement & wing composition of duty-free textile imports (flax, hemp and jute products)
  1926 to 1936 (Ex. 1579, Shoot 10)
- 19020 Statement showing imports of dalieble goods flax, herp and jute, 1926 to 1936 (-x. 1979, Short 11)
- 19028 Statement showing imports of Silk and its products, Sutiable and non-dutiable, 1926 to 1936 (Ex. 1379, Shoot 12)
- 19088 Statement showing composition of dety free textile imports, bilk and its products, 1986 to 1936 (Ex. 1379, Sheet 13)
- 19030 St tement aboring breakloss of dubiable imports, silk and its products, 1986 to 1956 (Ex. 1579, Sheet 14)



19030 Statument showing imports of wool sul its renducts, net-outleble and dutiable, with dut es collected, 1986 to 1986 (Ex. 1899, Sheet 15) 19031 Statement showing composition of dut - free imports wool and its moducus, 1960 to 1936. (Ex. 1979, Short 16) 19035 Statement simoing breakdown of dutiable isports of worl and its products, 1926 to 1936. (Ex. 1379, Sheat 17) 19037 States ont showing imports of artificial Silk (layon) and its products, non-dutiable and Sutuble, and duties collected, 1936 to 1956. (Ex. 1379, Sheet 16) Statement showing composition of duty-free 19039 textile imports, Artificial Gilk (Legen). and its products, 1986 to 1936 (Ex. 1379, Sheet 19) 19039 Statement abowing duriable imports of artificial ailk and I to products, 1926 to 1936k (Ez. 1379, Sheet 20) Huntement shoing imports (collectively) of 19040 other textile fibres and their products non dutiable and dutiable, and duties collected, 1986 to 1986 (Ex. 1879, Shoot 21) Statement showing composition of duty-free 19040 tentile imports, other fibres and their pro-Aucts - 1926 to 1936 (Rr. 1379, Maset 23) Statument downing imports of mired textile 19040 non duticable and dutiable and duties collected. 1926 to 193M. (Ex. 1879, Cheet 25) Statement dowing a omposition of thy-free 19040 mixed textile imports, 1986 to 1936. (Tx. 1379, Sheet 24) Statement showing composition of dutiable 19040 imports of mixed textile products, 1926 to 1936, (Em. 1579, Sheet 25) Nom omists are of the opinion that the 19052

dopth into which Camda got in the depression was due to the business of the country being

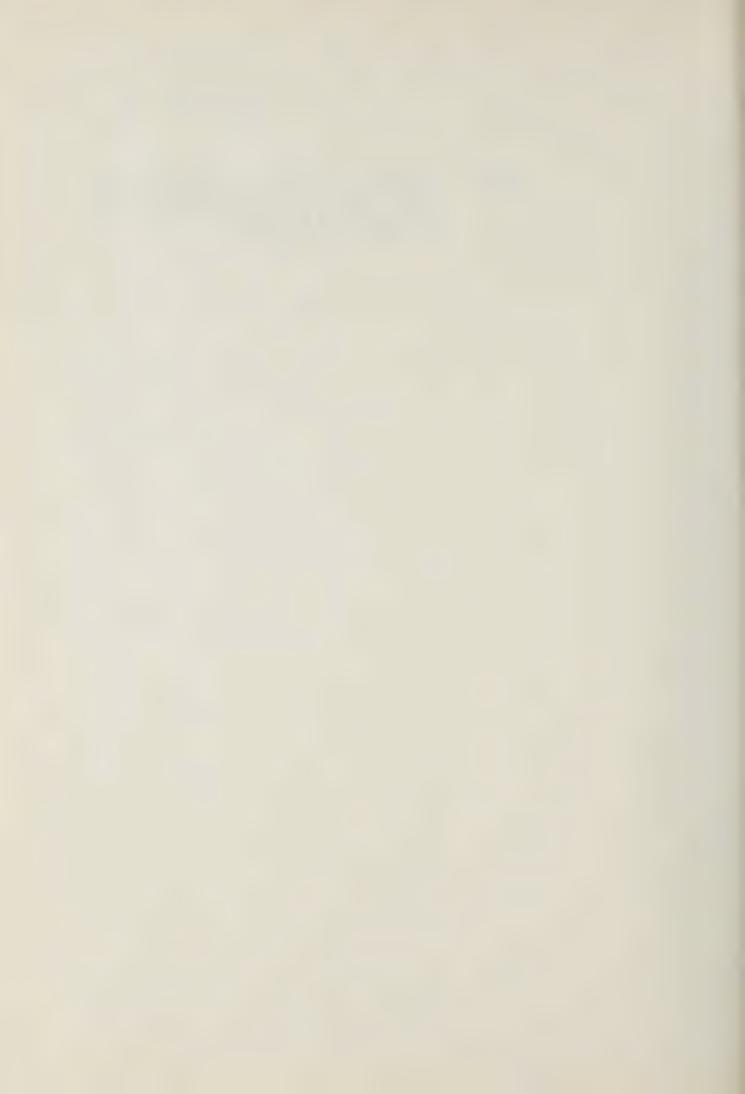
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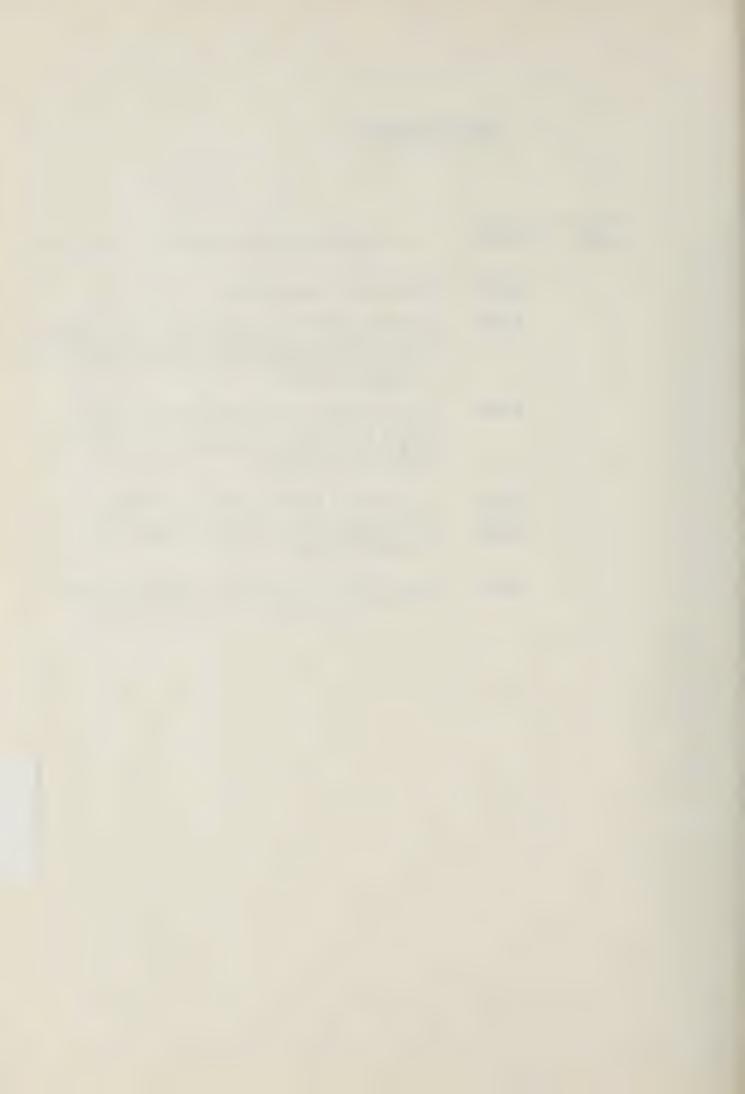
#### ESTE POLITIC MED CONTINUES

PARE IN	ARCUMENT ARCUMENT	
	19040	Agreements in mestraint of demestic competition
	29047	Price fixing arranges onto should be referred to proper a ficials for investigation and such so-



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Assertation to the second	TALL IN	to the second section with an execution of a contract of the c
	10007	Ristory of Penman Company
	10000	Syndicate honded by Stewart of the Sovereign buck rate and a translation color at any of the sovereign or \$350. per share
	10010	wereast Limited was incorporated in 1906.  Legens, Francisco on the occupant is and to the essent of \$5,000,000 of which \$2,471,600 was water
	10011	To provide a further earn ng on common stock equity composed of watered stock is on unsound basis on which to formulate a protective tariff
	1000	Since 1907 there has been paid in dividents



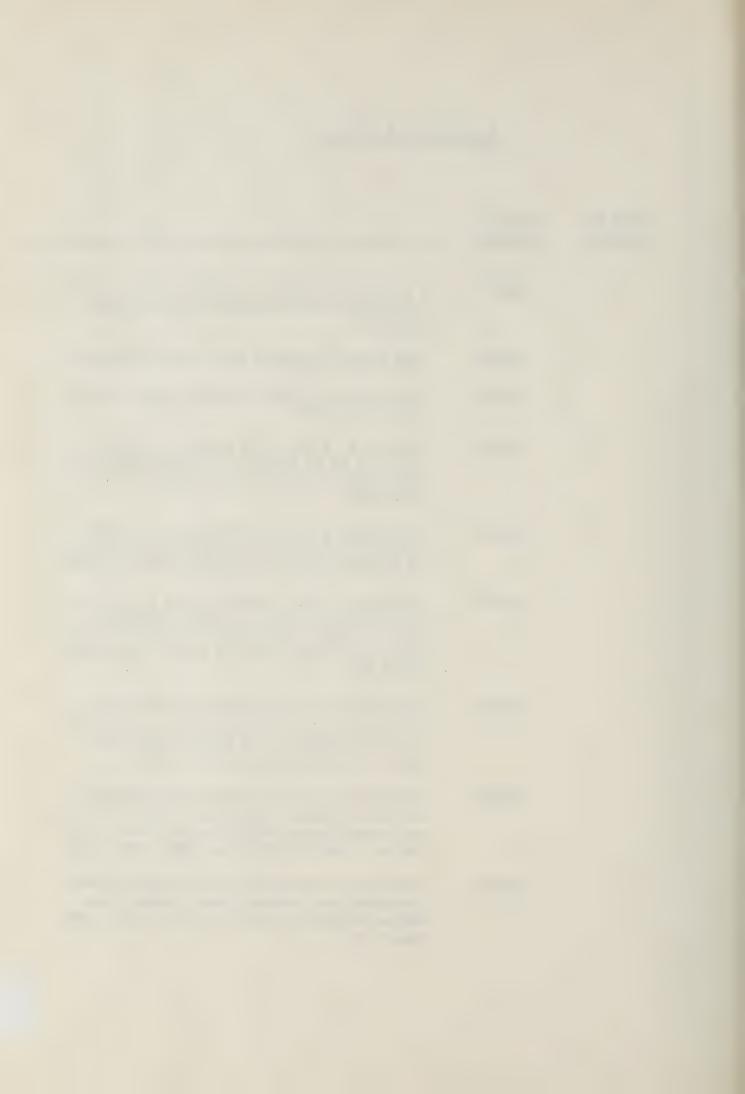
#### Mile Aberral I the Mile

American mass time of the second of the seco	Maria	
	19000	No sales wase of Canadian brooked taffota to any of large departmental stores in To- ronto or Montreal
	18794	Ratio of males to Capital Amployed in the
	18795	Ratio of Salao to Capital Raployed as adjus- ted for appraisal write-ups shows a higher result
	20796	Statements of Seles, Gross Profit before Se- prediction and Net Profits on Seles - Cotton Division (Ex. 998)
	15777	Statements showing Operating R-tios, Ratio of Gross Profits before Depreciation to Sales and Ratio of net Profits on Sales to Sales . Colton Division (Ez. 998)
	2:806	Permans Limited - Net profit on sales to cap - tal employed in the industry (No. 1070)



# 2 A R I F F

VIII II	A CELL DE	
	18977	A protective tariff on textiles cannot be justified as an economic benefit to the Dominion
	18979	1937 Trade Agresment with United Kingdom
	18986	Memorandum re United Aingdom Trade Agree- ment (Ex. 15%)
	10999	Matement of Canadian quaters duties on textiles as at March, 1937; and goods sub- ject todrawback for home consumption. (Ex. 1875)
	19006	Statements showing influence of iomestic textile trade and relative tariff policies on Canada's semeral export trade (Ex.1379)
	19019	Statement showing imports into Canada of textiles and duties on lected thereon - 1536 to 1536 - Comparison of value as between Eritish and foreign countries (Ex. 1579, Sheet 3)
	19037	Statement showing imports of Artificial Silk (Reyon) and its products, non Satis- ble and dutishle, and duties collected, 1926 to 1936 (Rx. 1379, Sheet 18)
	19040	Statement showing imports (collectively) of other textile fibres and their products, and states collected, 1980 to 1986 (Lx. 1879, Seet 21)
	39040	Statement showing imports of mixed textile products, non duticule and duticule and duties collected, 1936 to 193, (-x. 1979, Shoot 32)



- 19 74 It is not non-orderily man to been a protective tariff on the basis that it is intended to musture bad or incompetent management in an industry
- than to protect an honest investment of sponey actually sade
- 1950 1957 agreement leaves out items on which there had been maintained a corgin of professore between the Intermediate and dealed taging
- 16775

  11. The sholition of total to the 1988 agreement, Canada is now at liberty to negotiate agreements for the prosetion of trade with any other country, excopt that margins on particular items
  which are free to Great Britain will be
  nationed
- 19306 In Parks as a second between Camada and the United Singdom duted February SS, 1937 (Sx. 1974)
- 18:15 the United States is no longer tied up to the protective principle that there should be an equalization of costs of production

